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#### San Francisco Public Library

Government Information Center San Francisco Public Library 100 Larkin Street, 5th Floor San Francisco, CA 94102

#### REFERENCE BOOK

Not to be taken from the Library





OFFICE OF THE MAYOR

TREASURE ISLAND PROJECT 410 AVENUE OF THE PALMS BUILDING 1, 2ND FLOOR TREASURE ISLAND SAN FRANCISCO, CA 94130 (415) 274-0660

FAX (415) 274-0299

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Agenda

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WILLIE LEWIS BROWN, JR.

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PLEASE NOTE:

THE APRIL 14, 1999 REGULAR MEETING OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY HAS BEEN CANCELLED.

A SPECIAL MEETING HAS BEEN SCHEDULED FOR TUESDAY, APRIL 20, 1999 AT 9:30 A.M. IN ROOM 416 AT CITY HALL.

Treasure Island Development Authority 410 Palm Avenue, Building 1 Treasure Island San Francisco, CA 94130



Ms. Susan Hom Government Info Center Main Library 100 Larkin St. San Francisco, CA 94102

Please note that a special meeting of the Authority will be held on Tuesday, April 20<sup>th</sup> at 9:30 a.m., Room 416, City Hall. The next regular meeting: Wednesday, May 12, 1999, 1 p.m. in Room 400, City Hall

#### OFFICE OF THE MAYOR SAN FRANCISCO

REASURE ISLAND PROJECT 410 AVENUE OF PALMS, BLDG #1 TREASURE ISLAND SAN FRANCISCO, CA 94130 (415) 274-0660



WILLIE LEWIS BROWN, JR.

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AGENDA

### TREASURE ISLAND DEVELOPMENT **AUTHORITY**

CITY AND COUNTY OF SAN FRANCISCO

#### SPECIAL MEETING

Room 416 City Hall 1 Dr. Carlton Goodlett Place San Francisco, California

Tille WEDNESDAY, APRIL 20, 1999 9:30 AM

Willie L. Brown, Jr., Mayor

DIRECTORS

John Elberling, Vice-Chairperson Gerald Green Anne Halsted James Morales Doug Wong

> Annemarie Conroy Executive Director

RECYCLED PAPER

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4/20/99

# Treasure Island Development Authority City Hall, Room 416 SPECIAL MEETING April 20, 1999 – 9:30 AM

#### ORDER OF BUSINESS

- 1. Call to Order
- Roll Call
- Approval of Minutes
- 4 Communications
- 5. Ongoing Business by Directors
- 6. Introduction of New Business by members
- 7. Report of the Treasure Island Project Director Annemarie Conroy
  - Report on access to Treasure Island including public use last month
    - · Status of environmental clean up
  - · Report on short-term leases
  - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
  - · Update on status of EDC and Redevelopment Plan
  - Report on TIHDI
  - · Report on the status of personal property
  - · Report on formation of CAC
  - · Legislation/hearings affecting Treasure Island
  - Report re additional evidence of financial capabilities of Treasure Island Enterprises
  - · Report on contract with Rubicon Enterprises
  - Report on residential lease agreement and leasing guidelines for the John Stewart Company
- 8. Public Comment
- Resolution adopting policy regarding limiting rent increases on residential leases (Action item)
- Resolution authorizing the Executive Director to continue two month-to-month leases
  with ESPN related to the production of the X-Games for more than six months (Action
  item)
- Resolution approving budget for Treasure Island Project Development Authority for FY 1999-2000 (Action item)
- Authorizing the Executive Director to execute a contract with the Treasure Island
  Homeless Development Initiative (TIHDI) for up to \$75,000 for coordinating activities
  related to the proposed Base Closure Assistance Agreement (Action item)
- 13. Adjourn

#### TREASURE ISLAND DEVELOPMENT TASK FORCE

#### Disability Access

The Treasure Island Development Task Force will meet at City Hall, 1 Dr. Carlton Goodlett Place in Room 400. Room 400 is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART is Civic Center, three blocks from the City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of the City Hall adjacent to Davies Hall and the War Memorial Complex.

For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact the Task Force at (415) 274-0672 at least 72 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

#### Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

#### Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

Treasure Island Development Authority 410 Palm Avenue, Building 1 Treasure Island San Francisco, CA 94130



Ms. Susan Hom Government Info Center Main Library 100 Larkin St. San Francisco, CA 94102

Special meeting notice: 9:30 a.m., Tuesday, April 20, 1999, Room 416, City Hall

Next regular meeting: Wednesday, May 12, 1999

A binder of supporting material is available for public viewing at the Mayor's Treasure Island Project office, 410 Palm Avenue, on Treasure Island and at the Government Information Center reference desk, Main Library, Civic Center.

#### Treasure Island Development Authority City Hall, Room 416

SPECIAL MEETING April 20, 1999 - 9:30 AM

DOCUMENTS DEPT.

PUBLIC LIBRARY

#### ORDER OF BUSINESS

- Call to Order 1.
- Roll Call 2. 3.
- Approval of Minutes
- Communications 4.
- Ongoing Business by Directors 5.
- Introduction of New Business by members 6.
- 7. Report of the Treasure Island Project Director Annemarie Conroy
  - Report on access to Treasure Island including public use last month
  - Status of environmental clean up
  - Report on short-term leases
  - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
  - Update on status of EDC and Redevelopment Plan
  - Report on TIHDI
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- 11. Resolution approving budget for Treasure Island Project Development Authority for FY 1999-2000 (Action item)
- Authorizing the Executive Director to execute a contract with the Treasure Island 12. Homeless Development Initiative (TIHDI) for up to \$75,000 for coordinating activities related to the proposed Base Closure Assistance Agreement (Action item)
- 13. Adjourn















#### Treasure Island Development Authority Minutes of March 10, 1999 Regular Meeting



1:25 p.m. in Room 400, 1. Call to Order:

City Hall

2. Roll Call: Present: John Elberling, Vice Chair

Anne Halsted Gerald Green James Morales (left 3:05)

Doug Wong

3. Approval of Minutes:

The minutes of February 10, 1999 were unanimously approved.

Communications 4.

The Commission Secretary noted: four letters relating to wetlands assessment methodology

7. Executive Director's Report

Ms. Conrov reported on the following issues:

Access: Ms. Conroy reported on numerous events in the last month including the kickoff for the Great Sweep and the reunion for the Golden Gate International Exposition. Future events include an Easter Egg Hunt and the X Games.

Environmental Clean-up- Martha Walters reiterated her concern with the draft correction order issued by the California EPA and how the Navy's delay in cleaning up will effect Marina development and the master developer RFP. Ms. Conroy stated that she will speak with Secretary Cassidy on his visit in the near future

Short-term leases- Ms. Conroy reported that Walt Disney Productions had contracted for a month-to-month lease for Building 99.

Status of the EDC/Redevelopment Plan- Development Director Steve Proud described the initial actions of the redevelopment plan/EDC team in terms of adjusting schedules for the completion of the redevelopment plan and the master plan process. Authority members and staff discussed the timing of the EIS/EIR process in relation to the redevelopment plan, and the role of the Citizens Advisory Committee (CAC) in the process.

Report on TIHDI-Ms. Conroy reported that progress was being made with TIHDI on their housing rehabilitation.

Report on personal property- Facilities Manager Bob Mahoney indicated that the Project Office is working with the Navy to inventory personal property. He added that he had taken TIHDI to look at furniture for their units. Mr. Mahoney indicated that he will continue to work closely with the Navy and TIHDI to produce a definitive list of personal property.



Report on the formation of the CAC- Commission Secretary Rummelsburg indicated that Supervisor Yaki was heading the appointment process for the 11 Board of Supervisors' appointees and that appointment of 14 members by the Mayor would be coordinated with the Mayor's Appointments staff

#### Public Comment

Paul Hehn, RAB member, reiterated his interest in serving on the Citizens Advisory Committee.

#### Discussion of Treasure Island Project Office Budget for FY 1999-2000

Ms. Arbuckle reported that work was proceeding on the finalizing the 1999-2000 budget which will be presented for the Authority's approval on April 14<sup>th</sup>. She noted that she is working with the Mayor's Budget Office to determine the cost, method of delivery and how they should be paid, given the property on TI occupied by various city departments. Ms. Arbuckle indicated that materials comparing the upcoming year's budget with the current budget will be provided.

- 11. Resolution approving contract with Rubicon for landscaping services (Action item)
- Resolution authorizing the Executive Director to amend the contract with Rubicon Enterprises, Inc. to extend the contract term and increase the amount payable (Action item)

Authority members agreed that the two items which both relate to Rubicon's landscaping contract could be considered concurrently. Item 11 relates to a new contract while Item 12 amends the existing contract. Ms. Conroy stated that Project Office staff performed an analysis delineating landscaping needs by area on both islands. She stated that lessees are required to pay for landscaping in areas which are currently leased to them by the Authority. Thus, the cost for landscaping in the proposed contract is less than the existing contract. Authority members inquired about workforce characteristics, particularly the number of workers from San Francisco. Members also discussed the reason for a sole source contract and were informed by Mr. Cohen and Ms. Conroy that such an arrangement was provided for in the TIHDI agreement previously endorsed by the Board of Supervisors and the Authority.

#### Public Comment:

Ruth Gravanis asked that poison oak not be removed from the oak woodland on YBI and that invasive plants not be used. She also asked if the contract conformed to the City's pest control ordinance.

Sherry Williams thanked the Authority and Project Office staff for their support of the TIHDI agreement.

Authority members and staff discussed amending the resolutions to include targeting San Francisco residents, adherence to San Francisco's pest control ordinance and to return to the Authority at the next meting with an estimate of any extra costs attributable to conformance with the City's pest control ordinance.

Mr. Green proposed a motion to approve Item 11 including amendments urging Rubicon to comply with the TIHDI workforce hiring goals, seeking Rubicon's agreement to consider amending the contract to conform to the City's pest control ordinance. Staff was directed to report to the Authority in two months on the cost and effectiveness of any such amendment.



For item 11, motion by Mr. Green, seconded by Ms. Halsted, approved 5-0. For item 12, motion by Mr. Morales, seconded by Mr. Wong, approved 5-0.

13. Resolution approving milestones for the development of the Treasure Island Marina (Action item)

Development Director Steven Proud described each of the milestones for exclusive negotiations with TIE. Ms. Halsted requested that each of the milestones be coordinated with meeting dates of the Authority.

Motion by Mr. Morales, seconded by Ms. Halsted, approved 5-0.

Presentation and status report on Bay Bridge issues

Ms. Conroy stated that she made a presentation in behalf of the Authority's and City's position on the new East Span of the Bay Bridge on February 24<sup>th</sup> at a special meeting of the Metropolitan Transportation Commission's (MTC) Bay Bridge Task Force. She noted that the City's position was not well-received by some of those attending. Ms. Conroy noted that William Travis, Executive Director of the Bay Development and Conservation Commission (BCDC), announced at the hearing and in subsequent correspondence that the City's reuse plans for Yerba Buena Island are not in conformance with BCDC's Bay Plan. Ms. Conroy indicated numerous sources which refute the assertion.

Ms. Conroy repeated the presentation she gave to MTC indicating the historic and financial impacts the proposed northern alignment for the span will have on YBI as well as the legal realities of such a choice.

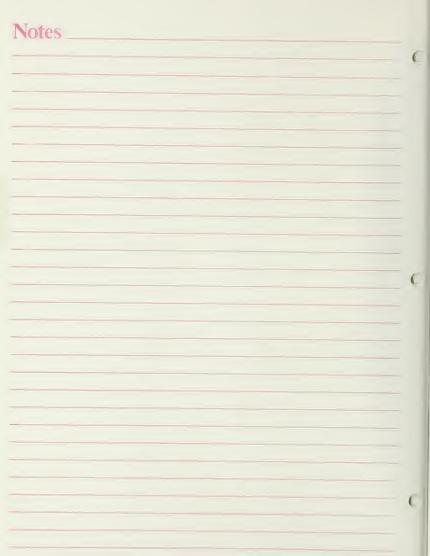
14. Adjourn The meeting adjourned at 3:30 p.m.



















OFFICE OF THE MAYOR

REASURE ISLAND PROJECT 410 AVENUE OF THE PALMS BUILDING 1, 2ND FLOOR TREASURE ISLAND SAN FRANCISCO, CA 94130 (415) 274-0660 FAX (415) 274-0299



#### MEMORANDUM

TO: All TIDA Members

FROM: Robert Mahoney Ph

SUBJECT: Progress Report on Personal Property

**DATE:** 04/08/99

The Navy Caretaker Site Office is continuing to compile an inventory list of Personal Property to be made available to the City under the EDC process. I expect to receive the database and the list by approximately June 1, 1999.

Lam also working with the Director of TIHDI, Ms. Sherry Williams and Lt. Commander Gough of the Caretaker Site Office in facilitating the transfer of the property requested by the Treasure Island Homeless Development Initiative. Currently we have a June 1999 target date, to meet the needs of the pioneer tenants of the TIHDI housing.

The transfer of this property will require that TIHDI maintain an inventory list of the property and will report on both its condition and location annually until the ultimate conveyance of the property to the City.







TO: Members, Treasure Island Development Authority

FROM: Annemarie Conroy, Executive Director

RE: Recruitment and Selection of Citizens Advisory Committee (CAC) Members

DATE: April 6, 1999

The following efforts have been made by the Mayor's Office and the Treasure Island Project Office to notify members of the public of the formation of a CAC for Treasure Island:

Mayor Brown's Office issued a press release

The Project Office sent notices with the April 14<sup>th</sup> agenda seeking members for the CAC to
each person on the TIDA mailing list (250 individuals and groups)

• The Project Office also sent notices to the following organizations:

San Francisco Public Library, including 28 branches

Delancey Street Foundation

San Francisco Beautiful
San Francisco Building Trades Council

DI ID

San Francisco Chamber of Commerce

San Francisco Council of District Merchants

Commonwealth Club

San Francisco Bicycle Coalition

Rotary Club of San Francisco

San Francisco Commission on the Status of Women

Kiwanis Club of San Francisco

San Francisco Black Chamber of Commerce

Friends of the Urban Forest

Community Housing Partnership

Chinese Chamber of Commerce

American Institute of Architects American Association of Retired Persons

San Francisco Tomorrow

Coalition for Sustainable Neighborhoods

Communities for a Better Environment

Friends of Recreation and Parks

San Francisco Recycling Program

Surfriders Foundation/San Francisco Chapter

Surfrigers i Oundation/San i Tallers

California Native Plant Society Rotary Club of San Francisco West

The Project Office sent notices to approximately 500 groups and individuals who have indicated an interest in shoreline planning. The listing was obtained from the Port.

In addition, Supervisor Michael Yaki has notified his colleagues on the Board of Supervisors of the recruitment effort and has requested that Board members forward to the Board of Supervisors Rules Committee recommended members.



MEMBER BOARD OF SUPERVISORS



# CITY AND COUNTY OF SAN FRANCISCO

#### MICHAEL YAKI

#### MEMORANDUM

April 6, 1999

To: All Members, Board of Supervisors

cc: Joan Rummelsburg, Treasure Island Development Authority

Michael Cohen, City Attorney's Office

Joni Blanchard, Clerk of the Rules Committee

From: Supervisor Michael Yaki 🗰

RE. Treasure Island Development Authority Citizens Advisory Board

#### Dear Colleagues:

With your support, we recently passed legislation directing the Treasure Island Development Authority (TIDA) to establish a Citizen's Advisory Board (CAB). The CAB will be comprised of 25 persons, 14 appointed by the Mayor and 11 appointed by the Board of Supervisors.

I have attached, for your information, a list of the general categories of qualifications ("Exhibit A") from which appointees may be chosen. While there is no pre-set number of appointees which may be chosen to represent each category, it was my intent that the CAB be representative of the diverse interests involved in the further conversion and development of freasure Island.

Applications to serve on the CAB can come either via an individual Supervisor or by direct application to the Rules Committee. Each CAB member will serve a two-year term and must be a San Francisco resident. If you have a specific individual whom you would like to see appointed to the CAB, please forward that person's application directly to Joni Blanchard, Clerk of the Rules Committee by May 15, 1999, if possible.

Please feel free to call Kim Marschner of my staff at 554-7901 should you have any further questions about this process.

Thank you.

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Dept. MI	Prone "554-7901
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City Hall • 1 Dr. Carlton B. Goodlett Pl. (415) 554,7901 • FAX (4)

(415) 554-7901 • FAX (415) 554-7904 • TDD/TTY (413) 554-5227
Polited on Recycled Power ♠







# Executive Director's Report

Report regarding further evidence of financial capabilities of Treasure Island Enterprises.

On February 19, 1999, the Authority confirmed the selection committee's recommendation to select Treasure Island Enterprises ("TIE") as the developer of the Treasure Island Marina. On March 10, 1999, the Authority approved a series of milestones related to the Authority's negotiations with TIE. The first milestone requires TIE to deliver, and Authority and City Attorney's office staff to review, additional evidence of TIE's financial capability to develop the Marina.

TIE delivered evidence of its financial capability in response to the RFP for development of the Marina. However, two factors limited the scope of that evidence: First, the Yucaipa Companies, the main financial backer of TIE, is a private company and was not willing to share its audited financials. Second, although the Yucaipa Companies, and its owner, Mr. Ron Burkle, offered to guarantee the obligations of TIE, when the Authority selected TIE, there weren't yet any obligations for the Yucaipa Companies to guarantee. Thus, at the time of that hearing, there was no current means for Yucaipa to demonstrate its commitment to development of the Marina.

Since then, TIE has delivered additional materials to address the limitations described above. First, relevant portions of a joint proxy statement filed with the SEC by Fred Meyer, Inc. and the Kroger Co. in connection with their March 1999 merger list Mr. Burkle and the Yucaipa Companies as the owner of over Six Hundred and Fifty Million Dollars (\$650,000,000) of stock. In addition, relevant portions of a Schedule 14D-9 statement filed with the SEC in October 1998 in connection with the merger of Dominic Supermarkets, Inc. and Safeway, Inc, list the Yucaipa Companies and its affiliates as the owner of an over Three Hundred Sixty Million Dollars (\$360,000,000) of stock. This information further supports the belief that TIE, through the Yucaipa Companies and Mr. Burkle, has sufficient financial resources to develop the marina.

Second, the Yucaipa Companies have taken the unusual step of agreeing to guaranty TIE's obligations related to development of the marina before the parties have agreed to scope of those obligations. A copy of that guaranty is attached hereto as



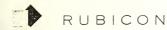
Exhibit A. Although the Authority and TIE may want to replace that guaranty with documents which more specifically references the obligations of TIE at the time final transaction documents are completed, the enclosed Guaranty demonstrates the Yucaipa Companies commitment to development of the Marina and provides additional financial assurance to the Authority.

Based on the foregoing, staff and Deputy City Attorney Michael Cohen recommend that there is sufficient evidence of TIE's financial capability to develop the Marina to continue towards the next milestone- negotiating an Exclusive Negotiating Agreement.











# PROGRAMS



# INCORPORATED

2500 BISSELL AVENUE • RICHMOND, CALIFORNIA 94804 • 415-235-1516 • FAX 235-2025

Mayor's Office 410 Avenue Of Palms Bldg. 1, 2nd Floor Treasure Island 4/6/99

Treasure Island Attn.: Bob Mahoney

Subject: Possible changes in the grounds maintenance contract.

Reference: City and County of San Francisco Integrated Pest Management Program.

Bob,

In regard to the questions surrounding the Integrated Pest Management Program requirements, as per your request, I have contacted Jay Seslowe of the San Francisco County Department of Agriculture. During the conversation, Jay assured me that we are meeting the current requirements as set forth in the City and County of San Francisco I.P.M. Program document. (See attached section 1-3 of the document for your review.)

As manager of the grounds maintenance operations on Treasure Island and Yerba Buena Island, I do not anticipate any need to change the grounds maintenance contract or the way we manage weed control on the Islands until 1/1/00. At that time some of the herbicides we are currently using could be restricted from normal use. At present we are waiting for a list to be published that would identify those low-toxicity herbicides in category III that will be acceptable to use after 1/1/00. Jay Seslowe seemed to think that the list would include Round Up and Scythe which would comprise approximately 70-80% of our herbicide usage. Until the list of exceptions is published it is impossible for me to know for certain how the grounds maintenance operations will be affected after 1/1/00. My best guess is that there will be a sufficient number of low-toxicity chemicals on the list, and that the impact on our operations will be negligible, with the exception of a substantial increase in paperwork.

If you have any questions please feel free to contact me at 395-9208 or page me at 510-765 2432.

Sincerely,

Zowell & y w

Operations Mgr.
Rubicon Programs Inc.

HOUSING SERVICES
EPENDENT LIVING PROGRAM 235 1516
RUBICON HOMES 235 1516
RUBICON HOMES 255 1516
RUBICON L APARTMENTS 528 2119

COUNSELING SERVICES
PUBICON DAY CENTER 235-1516
SYNTHESIS DAY CENTER 236-0796

VOCATIONAL SERVICES
TRAINING AND PLACEMENT SERVICES 235-1516
BUILDING & GROUNDS SERVICE 235-6013
GARDEN CAFE AND CATERING 235-1516



# **Program Outline**

# General purpose of the ordinance

To minimize the City's contribution to pesticide use, and its negative impact on people and the environment.

# 1. Strategy

- a. Reduce chemical use through a three-phased approach:
  - i. 1/1/97 Eliminate
    - 1. Category I (listed by EPA-most toxic; these are products marked "DANGER"),
    - Cancer- or reproductive-toxicity chemicals (per State of California Safe Drinking Water and Toxic Enforcement Act of 1986), and
    - Possible, probable or definite human carcinogens (per EPA).
  - ii. 1/1/98 Eliminate Category II (listed by EPA-next most toxic; these are products marked "WARNING"). A Tables et de filologistes in l

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- iii. 1/1/00 Eliminate Category III (listed by EPA—relatively less toxic; these are chemicals marked "CAUTION"). Exception for a list to be developed later of low-toxicity chemicals commonly used in IPM programs.
- iv. Exemptions:
  - 1. Exempted from the ordinance altogether are
    - Water and wastewater treatment.
    - b. Anti-microbials (cleaners and sterilizers) used in the provision of health care, and
    - c. Swimming pool water treatment.
  - Other anti-microbials are exempted until 1/1/99. The Department of the Environment is to get more information and advise the Board in 1998 on appropriate anti-microbial reduction mandates.
  - One-year or limited use exemptions to all pesticides covered by the bans will be considered by the Commission on the Environment: departments/contractors must prove they have made a good faith effort to find alternative approaches, but that no effective, economic alternatives exist.





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- i. Inform the public:
  - Post notices to inform the public of chemical use (Agricultural Commissioner can make
    exceptions to rules for public health emergencies and worker safety; Commission on the
    Environment can make exceptions for one-time uses, and can change the notice rules
    permanently, if necessary.)
  - 2. Set up a public access number for questions regarding pesticide use
- ii. Set up internal systems for implementing IPM
  - Develop an implementation plan consistent with standards, including:
  - alternatives proposed for adoption within 6 months
    - b. List and quantify baseline chemical use as of 21/31/96
    - Designate a primary IPM contact for the department, and fulfill any other guidelines to be determined by the Department of the Environment. These will undoubtedly include requirements for staff training, since this is the core of a successful IPM program.
  - 2. Keep detailed records of pesticide applications
  - 3. Provide regular reports as required
  - 4. Participate in a city-wide IPM management program (See item 4, below)
- 2. Applies to City activities only
  - a. Activities of all city departments are covered as of 1/1/97
  - b. Contractors only fall under the ordinance when they sign new contracts or renew existing contracts. For city contractors, the dates for first-level and second-level pesticide bans are delayed by 12 months.
- 3. Applies to City property only
- 4. Establishes a two-part city-wide implementation program
  - a. Assistance to all City departments: the Agricultural Commissioner's office will:
    - Establish a databank of information on City pesticide use and the success of alternative approaches



- ii. Provide technical assistance to departments
- Facilitate the interaction between departments to help implement the plan

This program is paid for via work order split equally between the Airport, DPH, DPW, Muni, Rec/Park, the Port, and PUC; and receives outside support.

- b. Regulation and oversight of the program:
  - i. The Commission on the Environment will:
    - 1. Approve departments' IPM implementation plans
    - 2. Consider exemption requests
    - 3. Monitor posting requirements and make changes as necessary
  - ii. The Department of the Enviornment will:
    - 1. Provide general oversight of the program
    - 2. Support the Commission's mandates
    - Investigate anti-microbial use and prepare recommendations for its reduction
    - Prepare a list of less-toxic chemicals commonly used as part of an IPM program
    - 5. Disseminate information about the program to the general public

Payment for these activities comes from the Department's own budget.







#### Executive Director's Report

John Stewart Company lease form, application and selection criteria.

On January 16, 1999, the Authority approved a variety of agreements related to the John Stewart Company's rehabilitation, marketing, management and operation of up to 766 housing units on the Base. In connection with those approvals, the Authority asked to review the final forms of the residential lease agreement, lease application and selection criteria to be utilized by the John Stewart Company prior to the commencement of initial occupancy. The form of the residential lease agreement is attached hereto as <a href="Exhibit A">Exhibit A</a> and the application and selection criteria are attached hereto as <a href="Exhibit B">Exhibit B</a>.

Regarding these documents, please note the following:

The form of the Residential Lease is fairly typical for the industry. Leases are for an initial term of one year. For tenants who wish to remain after the expiration of their initial lease term, the John Stewart Company may either enter into a new lease for some definite term or continue the tenancy on a month-to-month basis. Special provisions were included that note that the John Stewart Company's right to sublease the premises expires after seven years and is subject, in some cases, to matters beyond the John Stewart Company's control (such as Navy r termination of the Master Lease). A special waiver and release form waiving relocation assistance was also included, as well as a general acknowledgment of the inapplicability of the City's Rent Stabilization and Arbitration Ordinance.

The application form and selection criteria also appear to be fairly customary.

The selection criteria includes a general policy statement of non-discrimination, and describes the procedure for resident selection and verification of the information contained in the application. In addition, it includes a brief description of the preference categories described in Sublease.



# TREASURE ISLAND YERBA BUENA ISLAND

# RESIDENTIAL LEASE

1.	PARTIES:		
	THIS AGREEMENT is made on the day of, 19 between (hereinafter called "Lessee"), and The John Stewart Company (hereinafter called "Lessor").		
	IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:		
11.	DESCRIPTION:		
	The Lessor hereby leases to the Lessee and Lessee hires from Lessor, on the term and conditions hereinafter set forth, all the property situated in the County of Sai Francisco, State of California, described as follows, to wit: Apartment Noat		
111.	TERM:		
	The term of the lease shall be for one year, beginning		

Lessee hereby acknowledges that the Lessor is a sublessee of the Treasure Island Development Authority and that the Treasure Island Development Authority acquired a leasehold interest to the Premises from the United States Navy under a master lease which pre-dates this lease agreement. Lessee further acknowledges that the residential use of the premises is an interim use and that the tenancy created under this lease shall not be permanent. Although Lessor has entered into a seven (7) year sublease with the Treasure Island Development Authority commencing on or about March 1999, nonetheless, Lessee's right to occupy the Premises will be subject to termination under any of the following circumstances: (i) the Authority's master lease with the Navy terminates, (ii) after the expiration of the Initial Term of this Lease, upon thirty-days prior written notice to Lessee from Lessor for any reason, including the implementation of redevelopment plans by the Authority for the Base. For these reasons, Lessee acknowledges that it may not be entitled to continue to occupy the Premises beyond the initial one year term of this Lease.

19\_\_\_\_\_, payable @ \$\_\_\_\_\_ per month. At expiration of lease term, this lease

will not automatically renew.



All of said rent shall be paid at the office of the agent of the Lessor, or at such other place as may be designated by the Lessor. All rent is to be paid on the first day of the month for the prospective rental period.

#### IV. RENTS, LATE CHARGES, RETURNED CHECKS:

All rents are due and payable on or before the first day of each month. All rents shall be paid by check or money order. No cash is to be accepted. All rents not paid by the seventh (7th) day of the month incur a late charge of \$50.00 Returned checks will incur a charge of \$50.00 in addition to the late charge. If the 7th of the month falls on a weekend or holiday, the grace period will extend to include the next regular working day. If a rental check is returned by the bank, payment of rent by money order or cashier's check is required from residents for a one year period.

#### V. ASSIGNMENT:

The Lessee shall pay the Lessor said rent in the manner hereinbefore specified, and shall not let or sublet the whole or any part of said premises, nor sell or assign this lease, either voluntarily or by operation of law, nor allow said property to be occupied by anyone contrary to the terms hereof, without the written consent of the Lessor.

## VI. DEFAULT:

Should said rent not be paid when due or should the Lessee default in any of the covenants or conditions contained herein, or if the conduct of Lessee or occupants shall be objectionable in the reasonable opinion of the Lessor, the Lessor or his representative may elect to terminate this lease.

#### VII. USE:

The Lessee shall occupy said demised premises and shall keep the same in good condition including such improvements as may be made thereon hereafter, the usual wear and tear excepted, and shall not make any alterations thereon without the written consent of the Lessor and shall not commit or suffer to be committed any waste upon such premises. Lessee agrees to pay for any damage, including appliances and fixtures, caused by any act of negligence of himself or any member of his family or guest.

The premises are leased to the Lessee for the purpose of a residential dwelling. Lessee shall not use, or permit said premises, or any part thereof, to be used for any purpose or purposes other than the purpose for which the said premises are hereby leased.

Maximum occupancy of said premises is limited to those named on the lease.

All governmental laws and ordinances shall be complied with by the Lessee.



#### VIII. TENANT/LANDLORD:

The Lessee hereby agrees to be bound, as is the landlord, by the amended sections to the Civil Code Sections 1942. These amendments being: Civil Code Sections 1941.1, 1941.2, 1942.1 and 1942.5, which state, among other things, the conditions for making repairs and deducting same from rents owed.

#### IX. NUISANCE:

The Lessee agrees not to engage in any activities which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, or interfere with the management of the project. Vestibules, hallways, stairways, and other public passages shall not be obstructed by the Lessee or their guests. Children will\_not be permitted to run or play on balconies or stairways. Lessee agrees to place garbage and refuse inside the containers provided therefore.

# X. MAINTENANCE:

- A. The Landlord agrees to:
  - Regularly clean all common areas of the project;
  - 2. Maintain the common areas and facilities in a safe condition;
  - Arrange for collection and removal of trash and garbage;
  - Maintain all equipment and appliances in safe and working order;
  - 5. Make necessary repairs with reasonable promptness;
  - 6. Maintain exterior lighting in good working order;
  - 7. Provide extermination services as necessary;
  - Maintain the grounds.
- B. The Lessee agrees to:
  - Keep the unit clean, safe and sanitary;
  - Use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
  - 3. Not litter the grounds or common areas of the project;



- Not destroy, deface, damage or remove any part of the unit, common areas or project grounds;
- Give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment, the smoke detector, or any other part of the unit or related facilities;
- Remove garbage and other waste from the unit in a clean and safe manner;
- Not engage in or permit unlawful activities in the unit, in the common areas or on the project grounds.

#### XI. NOTICES:

The Lessee will at all times cooperate with any reasonable House Rules which Lessor has, or may from time to time, furnish Lessee or post conspicuously on Lessor's premises. The Lessee by affixing his signature below acknowledges the receipt of a copy of the House Rules.

#### XII. HOLD HARMLESS:

Lessee hereby waives all claims against Lessor for damages to property or injuries to persons, including Lessee, in or about said premises; and Lessee will hold Lessor harmless from any damage or injury to persons or property arising from the use of premises by Lessee.

#### XIII. LEGAL FEES:

Should the Lessor be compelled to commence or sustain an action at law to collect said rent, or parts thereof, or for an unlawful detainer, or because of any other breach of this lease, the Lesses shall pay to Lessor a reasonable attorney's fee which shall be fixed by the Court.

# XIV. WAIVERS:

The waiver by the Lessor of any covenant or condition herein contained shall not vitiate the same or any other covenant or condition contained herein and the successors, and assigns of the respective parties hereto.

#### XV. SURRENDER CONDITION:

At the expiration of said term, or the sooner determination thereof, the Lessee shall peacefully quit and surrender possession of said premises in as good condition as reasonable use and wear thereof will permit.



#### XVI. DEPOSIT FEES:

Lessee agrees to deposit with the Lessor, on or before occupancy, the sum of \$\( \) as security deposit. This sum shall be held by the Lessor as security for the faithful performance by Lessee of the terms, covenants and conditions of this lease by Lessee to be kept and performed during the term hereof. In the event of the failure of Lessee to keep and perform all of the terms, covenants, and conditions of this lease, then, at the option of the Lessor, said Lessor may appropriate and apply said deposit, or so much thereof as may be necessary, to compensate Lessor for loss or damage sustained or suffered by Lessor due to such breach on the part of Lessee. Should Lessee comply with all of said terms, covenants, and conditions and promptly pay all of the rental herein provided for as it falls due, and all other sums payable by Lessee to Lessor, the said security deposit shall be returned to Lessee at the end of the occupancy in accordance with California State law. A unit is considered vacated after all personal belongings have been removed and unit keys returned. DEPOSIT MAY NOT BE USED AS LAST MONTH'S RENT.

### XVII. LEGAL NOTICE:

All notices to be given to Lessee must be given in writing personally or by depositing same in the United States mail, postage prepaid, and addressed to Lessee at the said premises, whether or not Lessee has departed from, vacated, or abandoned said premises.

# XVIII. INSPECTION:

The Lessor, its agent and/or employees may enter said premises at reasonable times to inspect, clean, repair, or show the premises to prospective tenants, purchasers or lending institutions. The Lessee agrees to allow access and occupancy to workmen for redecorating, repairing or remodeling of the premises for such time as is necessary. Additional door locks may not be installed or altered without written permission from Lessor. Lessor will provide 24 hours notice of intent to enter unit except in emergency, when Lessor may enter immediately. Lessor is to leave notice to Lessee that Lessor entered the unit.

Landlord's agent shall make an annual inspection of all project facilities and units. Agent shall designate a day or days when such inspection shall be made and so notify the resident at least five days prior thereto.

#### XIX. NOTICE TO VACATE:

A thirty (30) day written notice of the Lessee's intention to vacate the premises must be given to the Lessor. Any deposits that the Lessee may have on deposit with the Lessor are not to be considered the Last Month's rent. Refunds of security deposits will be made by Lessor after the premises are vacated. Lessor may terminate this lease if any local, state or federal agency orders the vacancy of the premises for health or safety reasons.



## XX. UTILITIES:

Lessor will provide for utilities including water, sewer, electricity, gas, and garbage removal.

#### XXI. HAZARDOUS MATERIALS:

XXIII. AUTHORIZED OCCUPANTS

Lessor will not allow the storage of any hazardous materials on or around the premises and will not cause hazardous materials to be released anywhere on the property.

## XXII. ACKNOWLEDGEMENT OF INAPPLICABILITY OF RENT CONTROL ORDINANCE:

Lessee hereby acknowledges and agrees that, because the rents for housing units on Treasure Island and Yerba Buena Island are set by a governmental authority, the Treasure Island Development Authority, housing units on Treasure Island and Yerba Buena Island are exempt from the provisions of the San Francisco Rent Stabilization and Arbitration Ordinance.

Name	Name
Name	Name

#### XXIV. MODIFICATION:

Name

This instrument contains all of the agreements and conditions made between the parties to this lease and may not be modified orally or in any other manner than by agreement in writing signed by all the parties to this lease of their respective successors in interest

Name



IN WITNESS WHEREOF, the Lessor and the Lessee have executed this lease as of the date and year first above written.

## TREASURE ISLAND / YERBA BUENA ISLAND:

Dy	
Administrator	(Date)
LESSEE (all persons 18	years of age and older must sign):
Ву:	(Date)
	,
By:	(Date)
Ву:	
	(Date)
Ву:	(Date)
Ву:	(Date)
Ву:	(D.1.)
	(Date)



# DRAFT

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BR	:			
PRI	FF.			

## TREASURE AND YERBA BUENA ISLAND

## APPLICATION FOR ADMISSION

EQUAL HOUSING OPPORTUNITY

APPLICANT NAME:			
DATE OF BIRTH:	SOCIAL SEC	CURITY #	
CURRENT ADDRESS:		APT. #:	
CITY, STATE, ZIP CODE:			
HOME PHONE #:	HEAD WORK #:	OTHER WORK	#:
		FAX #:	
HOUSEHOLD COMPOSITION	AND CHARACTERISTICS		
LIST ALL HOUSEHOLD MEMBE	RS WHO WILL BE LIVING IN TH	E RESIDENCE	
LAST NAME	FIRST NAME	BIRTHDATE	SOC. SEC. #
1.			
6.			
CURRENT HOUSING STATUS			
WHAT IS YOUR CURRENT RENT HOW MANY PEOPLE LIVE IN YO	F?	/ MANY BEDROOMS DO YO	OU HAVE?
HAVE YOU OR ANYONE YOU PI TERMINATED FOR FRAUD, NON YES NO. IF YES, PLEA	LAN TO HAVE LIVING WITH YO N-PAYMENT OF RENT OR FAILU	OU HAD YOUR RESIDENCY IRE TO COMPLY WITH LEA	TENANCY SE PROVISIONS?
DO YOU PLAN TO HAVE ANYON YES NO. IF YES, PLE			



		AVE LIVING WITH YOU BEEN CONVICTED OF A FELONY? THE DISPOSITION BEHIND EACH INCIDENT INVOLVING ALL LD:
		TENANTS WORK FOR AN ORGANIZATION LOCATED ON IF YES, WHICH APPLICANT(s) AND WHICH ORGANIZATION(s)?
A(		TENANTS WORK FOR A CITY OF SAN FRANCISCO PUBLIC SAFETY ED SCHOOL DISTRICT? YES NO. H ORGANIZATION(s)?
		TENANTS ATTEND A UNIVERSITY ON A FULL-TIME BASIS? CANT(S), WHICH INSTITUTION(S), AND WHICH PROGRAM?
UN	NIT SIZE YOU ARE INTERESTED IN LEA	SING? 2BR 3BR 4BR
1.	CURRENT LANDLORD:	
	PHONE #:	
	LANDLORD'S ADDRESS:	
	DATE OF MOVE-IN:	
	YOUR ADDRESS/APT. #:	
2.	PREVIOUS LANDLORD:	
		FAX #:
	LANDLORD'S ADDRESS:	
		DATE OF MOVE-OUT:
	YOUR ADDRESS/APT. #:	
3.	PREVIOUS LANDLORD:	
		FAX #:
		DATE OF MOVE-OUT:
	YOUR ADDRESS/APT. #:	



PLEASE LIST ANY RECU	RRING EXPENSES, TO INCL	UDE CREDIT CARE	. CAR PAYMENT	. PERSONAL LOA	NS
	ATTACH ADDITIONAL PAG		,	,	
HOUSEHOLD MEMBER	TYPE OF EXPENSE	ACCT.#	ALANCE	MO. PMT.	
		<u> </u>			
INCOME INFORMATION	<u>N</u>				
	OME THAT YOUR HOUSEHO IE THAT CAN BE EXPECTED AGES IF NECESSARY.				
FAMILY MEMBER	SOURCE OF EMP	LOYMENT INCOM	E ANNU	AL INCOME	
·					

#### APPLICANT CERTIFICATIONS

- 1. I/we certify that if selected to move into this project, the unit I/we occupy will be my/our primary residence.
- I/we certify that the statements made in this application are true and complete to the best of my/our knowledge and belief.

TOTAL \$

 I/we understand that false statements or information are punishable under federal law and cause for immediate termination of housing.



- I/we understand we must provide written notification of any changes to the information on this form, especially
  address and telephone number.
- 5. I/we understand that the above information is being collected to determine my/our eligibility for an apartment. I/we authorize the owner to verify all information provided on this application and to contact previous or current landlords, employers, or other sources for credit and verification information which may be released by appropriate federal, state, local agencies, or private persons to the owner/management.
- 6. I/we agree to allow management to perform a consumer credit check, civil and criminal background check on all adult household members and to pay the \$30 processing fee per adult household member. We may request copies of these documents. This will be required prior to an application being processed.
- I/we have been advised that San Francisco Rent Control Ordinances do not apply.
- Treasure Island Residences are subject to availability.

HEAD OF HOUSEHOLD (PLEASE PRINT):	
SIGNATURE OF HEAD:	DATE:
SIGNATURE: OF SPOUSE	DATE:
SIGNATURE:	DATE:
CURRENT ADDRESS:	
MANAGEMENT:	DATE:

ww/treasur/resAPP/3-1-99/dpf



An EDISON CAPITAL HOUSING INVESTMENTS Company

SACRAMENTO

SANTA CRUZ

LOS ANGELES

#### TREASURE AND YERBA BUENA ISLAND

#### POLICY ON RESIDENT SELECTION

#### INTRODUCTION

SAN FRANCISCO

The purpose of this policy is to establish fair and equitable practices for selecting applicants to occupy housing units at The Village at Treasure Island.

### I. POLICY ON NON-DISCRIMINATION

With respect to the treatment of applicants, the Management Agent will not discriminate against any individual or family because of race, color, creed, national or ethnic origin or ancestry, religion, sex, sexual preference, gender identity, age, disability, handicap, military status, source of income, marital status or presence of children in a household, acquired immune deficiency syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis. No criteria will be applied or information considered pertaining to attributes of behavior that may be imputed by some to a particular group or category. All criteria shall be applied equitably and all information considered on an applicant shall be related solely to the attributes and behavior of individual members of the household as they may affect residency at Treasure Island.

### II. PRIORITY FOR SELECTION

Applications will be processed in the order received. The Preferred Leasing Program provides Preference Group Applicants first right of offer on available units. The Preferred Leasing Program does not provide for rent concessions or discounts. Of the 766 units available for leasing by JSCo., there are three Preference Group categories:

- Up to 35% (268) of the units are subject to the right of first offer for certain City or SF Unified School District employees as follows:
  - San Francisco Public Safety employees who work on the island, e.g., police, Sheriff Deputies, fire fighters;
  - SFUSD teachers who work on the Island;
  - City employees who work on or provide essential services on the island.

#### 2. Then to:

 Certain San Francisco Public Safety employees such as police, firefighters and other city employees who may be needed in emergencies but not living on the island.



 Up to 25% (192) of the units are subject to a right of first refusal by "University Consortium Members", an alliance of San Francisco-based accredited colleges and universities. The Consortium includes students, staff and faculty of UCSF, Hastings, USF, Golden Gate University, S.F. State, City College, U.C. School of Podiatry and the SF Art Institute.

The remaining 40% (306) of the units, and all other units not taken by the Preference Groups will be marketed to:

#### First to:

Persons who live or work in San Francisco;

#### Then to:

Persons who live or work in the Bay Area.

Preference Groups will be given a right of first offer. After this period, units will automatically be made available to the open market along with the leasing of the 306 'open-market set-aside'.

### III. PROCEDURES FOR RESIDENT SELECTION

## A. Application Mailing

Applications will be mailed or distributed to all persons making a request. As each application is received, it will be logged and filed according to date and time.

The application will be a questionnaire which will provide the Management Agent a reasonable basis for identifying eligible applicants. Each completed application received will be reviewed and evaluated unless the waiting list has reached its maximum capacity, or the application is incomplete.

## B. Chronological Processing

All completed applications will be processed in the order they are received and prioritized according to Section II (Priority For Selection).

## C. <u>Unit Selection</u>

Units will be selected by the residents on a first come, first served basis as processing of an application is completed.



## IV. VERIFICATION PROCEDURE

## Applicant Interviewing

The Management Agent will conduct an interview with all members of each household in the order that their completed applications were received. However, as previously noted, those households with a priority (Section II) will be given preference. Documents or identification to determine the household membership will be requested. During the interview, the Management Agent will clarify any information provided by the applicant household and answer questions regarding admission procedures.

#### B. Selection Criteria

#### Income

A household's income must be sufficient to pay the required rent and other ongoing expenses. Households may not exceed a rent to income ratio greater than 45%.

Third party income verification demonstrating an acceptable rent to income ratio will be required. This includes but is not limited to:

- Employment
- Pensions

Income is estimated based upon the household's annual gross income.

## 2. <u>History of Responsible Tenancy, Behavior and Conduct</u>

The Management Agent will contact current and prior landlords for the past five years. In addition, the Management Agent will research unlawful detainer records to determine the applicant's prior history as a tenant. Each household will be provided an opportunity to respond to any reports, especially those that indicate unlawful detainer actions due to material non-compliance with a lease. Agent will determine whether or not the applicant has demonstrated a record of conduct which would constitute a substantial violation of the Project Lease provisions or applicable tenancy law. If such a record of violations is documented, that will be considered serious and grounds for a determination of ineligibility.

### Rent Paying Habits and Credit History

The Management Agent will request credit histories on each adult member of each applicant household. Based upon verifications, the Management Agent will determine if the applicant was chronically late in paying rent or had legal action initiated against him/her for debts owed. If such a record of violations is



documented, that will be considered serious and grounds for a determination of ineligibility. Examples of poor credit may include, but are not limited to, the following:

- a) any credit account showing payments late more than 60 days within the last two years;
- b) any credit account that has been sent to collection within the last two years:
- any collection judgment, bankruptcy, or lien filed during the past three years;
- d) any OPEN bankruptcy in past five years;
- any collection filed for non-payment of rent or damages done to rental property;
- f) any eviction or unlawful detainer action;
- g) any current 3 day notice;

#### 4. Criminal Background Checks

A check will be made of criminal <u>conviction</u> records for the past ten years for all adult members of the household. Felony offenses may be grounds for rejection if such offenses involve physical violence to persons or property, domestic violence, sexual abuse, sales of narcotics, illegal weapons possession, any form of assault, breaking and entering or burglary. Applicants will be provided the criminal background record and provided an opportunity to respond and to provide evidence of mitigating factors.

### C. Eligibility Determination

Applicants who are determined potentially ineligible based upon the Resident Selection Criteria have the right to request an informal review of the Management Agent's determination and may present additional facts and evidence for consideration during this review.

## D. Other Grounds For Rejection

In addition to the above, applicants may be rejected for any of the following:

- Blatant disrespect, disruptive or anti-social behavior toward the Management Agent, the Development or other residents exhibited by an applicant or household member any time prior to move-in;
- Falsification of any information on the application or throughout the qualification process.

## E. Rejected Applicants

If an applicant household is rejected, the Management Agent will notify the rejected household of the reason(s) for their ineligibility. The applicant will be given 14 days to appeal this determination.



### V. WAITING LIST

If necessary, a waiting list will be developed according to the date and time applications are received. The preferences (Section II) will also be used in developing the waiting list.

## VI. GENERAL

No pets are allowed without the prior written approval of the Management Agent. All pet owners must comply with the Pet Policy.

ww/treasur/TI policy resident selection/40299/jm











#### STAFF SUMMARY OF AGENDA ITEM 9

#### Rent Control Policy

On March 17, 1999, the Authority, pursuant to resolutions adopted by the Authority and the City's Board of Supervisors, entered into a Sublease, Development, Marketing and Property Management Agreement (the "Agreement") with the John Stewart Company to have up to 766 of the housing units on the Base rehabilitated, marketed and leased to residential tenants ("TI Tenants") Under the Agreement, rental rates for TI Tenants were set at approximately 30% of 100% of Area Median Income ("100% AMI"), subject to certain adjustments for views and other amenities, and are inclusive of basic utilities.

A complete schedule of the rental rates for the units, on a unit-by-unit basis, was attached to the Agreement as Exhibit J (the "Approved Rental Rates"). Under the Agreement, any changes to the Approved Rental Rates require the prior approval of the Authority, provided, however, that the Executive Director may approve increases or decreases to the Approved Rental Rates by no more than 10%.

Under Section 37(P)(2) of the City's Residential Rent Stabilization and Arbitration Ordinance (the "Ordinance"), TI Tenants are not covered by the Ordinance because the rents charged to TI Tenants are set by the Authority, a governmental entity. Nonetheless, Mayor Willie Brown asked the Authority to consider adopting a policy that it would not approve rent increases upon any lease renewal or extension that would be greater than as permitted under the Ordinance.

The Ordinance provides, among other things, that a landlord may not increase rents upon lease renewal or extension by more than 60% of the increase in the Consumer Price Index, per year, subject to certain stated expectations and acceptable cost pass-throughs. Accordingly, the above-referenced resolution would provide that it shall be the policy of the Authority that the rental rates charged each TI Tenant upon the renewal or extension of his or her residential lease (but not after any vacancy or termination of such lease) will not be increased from the rental rates charged such TI Tenant at the commencement of his or her residential lease by an amount or at a rate greater than as would be permitted under the Ordinance (as described above).



ILE NO.

RESOLUTION NO. \_\_\_\_\_

- [Policy Statement Regarding Limiting Rent Increases on Residential Leases]
- 2 ADOPTING A POLICY THAT THE RENEWAL RENTAL RATES FOR OCCUPIED
- 3 RESIDENTIAL UNITS MANAGED BY THE JOHN STEWART COMPANY AT TREASURE
- 4 ISLAND SHALL NOT BE PERMITTED TO INCREASE AT A RATE GREATER THAN AS
- 5 PERMITTED UNDER THE SAN FRANCISCO RESIDENTIAL RENT STABILIZATION
- 6 ORDINANCE

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and.

WHEREAS, On March 17, 1999, the Authority, pursuant to resolutions adopted by the Authority and the City's Board of Supervisors, entered into a Sublease, Development, Marketing and Property Management Agreement (the "Agreement') with the John Stewart Company ("JSCO") to have up to 766 of the housing units on the Base rehabilitated, marketed and leased to residential tenants ("TI Tenants"); and



WHEREAS, Under the Agreement, rental rates for TI Tenants were set at approximately 30% of 100% of Area Median Income ("100% AMI"), subject to certain adjustments for views and other amenities, and are inclusive of basic utilities; and,

WHEREAS, A complete schedule of the rental rates for the units, on a unit-by-unit basis, was attached to the Agreement as Exhibit J (the "Approved Rental Rates"), and,

WHEREAS, Under the Agreement, any changes to the Approved Rental Rates require the prior approval of the Authority, provided, however, that the Executive Director may approve increases or decreases to the Approved Rental Rates by no more than 10%; and

WHEREAS, The City's Residential Rent Stabilization and Arbitration Ordinance, at Chapter 37 of the San Francisco Administrative Code (the "Ordinance"), provides, among other things, limitations on the rate at which a tenant's rent upon lease renewal or extension can be increased over the rent charged such tenant at initial occupancy during the term (but not after a vacancy or termination) of such residential tenancy (the "Rent Increase Limitations"); and

WHEREAS, Under Section 37(P)(2) of the Ordinance, TI Tenants are not covered by the Ordinance because the rents charged to TI Tenants are set by the Authority, a governmental entity; and,

WHEREAS, The Authority and the City wish to provide TI Tenants the security that the rental rates charged a TI Tenant on renewal or extension will not be increased from the rental rate charged such TI Tenant at initial occupancy by an amount or at a rate greater than as would be permitted under the Rent Increase Limitations of the Ordinance; Now therefore, be it

RESOLVED, That is shall be the policy of the Authority that the rental rates charged each TI Tenant upon the renewal or extension of his or her residential lease (but not after any vacancy or termination of such lease) will not be increased from the rental rates charged such



TI Tenant at the commencement of his or her residential lease by an amount or at a rate greater than as would be permitted under the Rent Increase Limitations of the Ordinance.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island

Development Authority, a California nonprofit public benefit corporation, and that the above

Resolution was duly adopted and approved by the Board of Directors of the Authority at a

properly noticed meeting on April 14, 1999.

John Elberling, Secretary







#### STAFF SUMMARY OF AGENDA ITEM 10.

#### ESPN/X-Games

ESPN productions has selected San Francisco as the site of this year's production of the "X-Games". On October 1, 1998, at the request of the Mayor's Office of Economic Development ("MOED"), the Executive Director exercised her authority under the Authority's Rules and Procedures for Transfer of Real Property, by entering into two (2) month-to-month subleases with ESPN related to ESPN's production of the X-Games in San Francisco (the "Subleases"): a sublease of Building 265 (known as the Library) for use by ESPN as a production office and sublease for Units B, C, D, E, F, J, and M of the 240 Series housing on Yerba Buena Island for temporary housing of ESPN staff related to production of the X-Games.

The Subleases are on the Authority's standard sublease form. Rent for the 240 Series Housing units is \$9,000 per month and rent for the Library is \$7,350 per month. MOED has agreed to pay \$2,100 per month of ESPN's rent related to use of the 240 Series housing and all of ESPN's rent for the Library. Authority staff and MOED are currently working on an MOU to reflect that agreement.

Under the Authority's Rules and Procedures for Transfer of Real Property, month-to-month leases approved by the Executive Director must be approved separately by the Authority if they continue for more than six months. The terms of the Subleases are now in excess of six-months. Accordingly, the above-referenced resolution seeks Authority approval to continue the term of the Subleases until September 1, 1999, but no further without separate Authority approval.



FILE NO.	

1 2

RESOLUTION NO.	

[Sublease of Building 265 and 240 series Housing Units to ESPN/X-Games]
AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE TWO MONTH-TO-MONTH
LEASES WITH ESPN; ONE FOR THE USE OF BUILDING 265 AND THE OTHER FOR THE
USE OF THE 240 SERIES HOUSING ON YBI, IN CONNECTION WITH ESPN'S HOSTING
OF THE X-GAMES IN SAN FRANCISCO.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, According to the Sections 10 and 12 of the Authority's Rules and

Procedures for Transfer of Real Property, adopted March 11, 1998, the Executive Director



may enter into month-to-month or shorter term leases, licenses or subleases for a cumulative term of no more than six months without competitive bidding or the separate approval of the Authority; and

WHEREAS, ESPN productions has selected San Francisco as the site of this year's production of the "X-Games"; and,

WHEREAS, The X-Games generate a number of important public benefits, including the infusion of 25-30 Million Dollars into the San Francisco economy directly as a result of the event, international media exposure for San Francisco, including over 4- hours of television coverage, and the availability of substantial family oriented, alcohol-free entertainment for residents and visitors to San Francisco; and,

WHEREAS, A number of City departments are working with ESPN to ensure a successful production of the X-Games in San Francisco, including the Mayor's Office of Economic Development (as project manager), the Port, the Department of Parking and Traffic, Muni, and the Police Department; and,

WHEREAS, On October 1, 1998, at the request of the Mayor's Office of Economic Development, the Executive Director entered into two (2) month-to-month subleases with ESPN related to ESPN's production of the X-Games in San Francisco (the "Subleases"): a sublease of Building 265 (known as the Library) for use by ESPN as a production office and sublease for Units B,C,D,E,F,J,L and M of the 240 Series housing on Yerba Buena Island for temporary housing of ESPN staff related to production of the X-Games; and,

WHEREAS, the terms of those month-to-month Subleases are now in excess of sixmonths; and

WHEREAS, ESPN needs to continue to use the Library until September 1, 1999 and to continue to use the 240 Series Housing on YBI until the earlier of (i) the date when sufficient



units are made available to ESPN under the Authority's sublease with the John Stewart

Company or (ii) September 1, 1999; now therefore be it

RESOLVED, That the Authority hereby authorizes the Executive Director to continue
the term of the Subleases until September 1, 1999; and be it

 FURTHER RESOLVED, That prior Authority approval shall be required to further extend the terms of either of the Subleases beyond September 1, 1999.

#### CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 1999.

John Elberling, Secretary







## AGENDA ITEM Treasure Island Development Authority City and County of San Francisco

Subject: FY 2000 Budget Agenda Item No. Meeting of April 20, 1999

Contact/Phone: Annemarie Conroy, Executive Director

Eila Arbuckle, Finance Manager

274-0660

## SUMMARY OF REQUESTED ACTION

Staff request authorization to forward the TI Project's proposed FY 2000 budget to the Mayor's Office

#### BACKGROUND

In FY 1999, the TI Project earned revenues from facility rentals sufficient to fund the TI Project's \$1.85 million operations and personnel budget for the period July 1, 1998 through June 30, 1999. Additionally, the Project was granted \$4 million to provide caretaker services on behalf of the U.S. Navy. Navy funds are awarded on a federal fiscal year basis. Thus, the TI Project received \$1 million from the federal FY 1998 (October 1, 1997 through September 30, 1998) \$4 million grant for the period July 1, 1998 through September 30, 1998 and \$3 million from the federal FY 1999 (October 1, 1998 through September 30, 1999) \$4 million grant for the period October 1, 1998 through June 30, 1999 to provide caretaker services in the City's 1999 Fiscal Year. One million dollars of the \$4 million FY 1999 grant will fund caretaker services for the first quarter of the City's FY 2000.

#### DISCUSSION

The long term goal of the Treasure Island Project is to develop Treasure and Yerba Buena Islands in accordance with approved plans to maximize revenues to the San Francisco General Fund, create new job opportunities for San Francisco residents, including assuring job opportunities for homeless and disadvantaged City residents, increase recreational and Bay access venues for San Francisco and Bay Area residents and visitors, and promote the welfare and well being of the citizens of San Francisco, In FY 1999, the Treasure Island Project began to make positive financial contributions to the City's General Fund as well as the overall City economy. In FY 1999, the TI Project:

- Provided facilities for movie production and special events that directly generate Transient Occupancy Taxes to the General Fund, and, in FY 1999 contributed \$25 million to the City's economy through expenditures for hotel rooms, local production crew salaries & wages, meals, local actors, local rentals, set construction, transportation, wardrobe, catering, security, City personnel costs (police, fire), permits, location fees, & other local production expenditures
- In a city desperate for housing, completed an agreement with the John Stewart Company to rehabilitate 766 housing units, while working with the Treasure Island Homeless



Development Initiative (TIHDI) to rehabilitate 275 units for economically disadvantaged persons, and with Delancey Street to rehabilitate an additional 14 housing units. Treasure Island's 1,000 housing units equal 25% of the 2+ bedroom units built in San Francisco since 1990, and will provide possessory interest taxes to the General Fund, and \$2 million a year in revenues to the PUC, and nearly \$50 million to fund the rehabilitation of TI infrastructure and facilities over the next seven years

- Contracted with a team headed by the Sedway Group to prepare an application to the Navy to convey former naval station Treasure Island to San Francisco and complete adoption of the TI Redevelopment Plan
- Began negotiations with Treasure Island Enterprises to secure the development of the TI Marina
- Provided facilities for General Fund agencies such as the police academy, fire-fighting school, and jail
- · Provided facilities for a public elementary school
- Opened the western shore of Treasure Island to the public on weekends

In addition, TI project staff are leading and managing the City's efforts to secure a Bay Bridge alignment that does not destroy the economic development opportunities available to the City on the former naval base.

The TI Project will build on these achievements to increase TI's contributions to the City and its economy in FY 2000. And, as demonstrated in FY 1999, the TI Project will continue to manage interim operations on the former naval base to earn the revenues necessary to support its staff and operations, and to begin to rehabilitate certain revenue-generating facilities.

In FY 2000, the TI Project will earn of \$3.5 million from facility rentals. Staff also projects that the Project will carry forward \$500,000 in unspent FY 1999 revenues (the TI Project projects earning \$500,000 more than the \$1.8 million projected in the FY 1999 budget). The Controller's Office has certified that both these projections are reasonable and will allow the TI Project to base its FY 2000 budget on \$4 million in revenues to fund the following, without General Fund support:

- \$1 million in personnel costs
- \$1.96 million in operations costs, including \$500,000 to assure adequate environmental remediation by the Navy, \$300,000 to prepare an application for an Economic Development Conveyance of Treasure, and \$446,000 for landscaping and grounds maintenance services
- . \$1 million in the services of other City departments

The \$2.875 million in revenues from the City-Navy Cooperative Agreement will fund caretaker services for areas of Treasure and Yerba Buena Islands not leased to the Authority and still owned by the Navy (this excludes the Job Corps and Coast Guard areas). This includes \$1 million from the federal FY 1999 \$4 million grant and \$1.875 million from the (projected) FY 2000 federal grant. The Navy has advised the Project to expect a substantial reduction in the amount of Navy funding for caretaker services for federal FY 2000 (October 1, 1999 through September 30, 2000). This reduction comes from the expansion of areas leased to the City (e.g., housing areas) and a resulting decrease in areas that require caretaker services.

Attached to this memorandum is a spreadsheet summarizing revenues and expenses for each cost



APPROVING THE BUDGET OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY FOR FISCAL YEAR 1999-2000, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE PROPOSED BUDGET TO THE MAYOR OF THE CITY AND COUNTY OF SAN FRANCISCO FOR FURTHER REVIEW AND INCLUSION IN THE CITY'S FY 1999-2000 BUDGET.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, As provided under the Authority's Bylaws, the Executive Director and the Finance Director have prepared a budget for the Authority for Fiscal Year 1999 – 2000, a copy of which is attached to this resolution as Exhibit A (the "FY 1999-2000 Budget"); Now, therefore be it

RESOLVED, THAT THE BOARD OF DIRECTORS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY HEREBY ADOPTS AND APPROVES THE FY 1999-2000 BUDGET AND HEREBY DIRECTS THE EXECUTIVE DIRECTOR AND THE FINANCE DIRECTOR TO SUBMIT THE FY 1999 – 2000 BUDGET TO THE MAYOR OF THE CITY AND COUNTY OF SAN FRANCISCO FOR FURTHER REVIEW AND INCLUSION IN THE CITY AND COUNTY OF SAN FRANCISCO'S FY 1999-2000 BUDGET.



			Total	Project	TI	YBI	1 Commercia	IT.	YBI	TI	TI	YBI		
		Total	City-Navy	Administration	Spec. Events	Spec. Events	& Film Studic	ilm Permit:	ilm Permit	Marina	Housing	Housing	City- Navy	Agreemer
		Non	Cooperative					1					Jul-Sept 99	
	TOTAL	Coop Ag.	Agreement	210009	210016	210017	210018	210019	210020	210021	210022	210023		
REVENUE SUMMARY	6,875,000	4,000,000	2,875,000						**		-			
Projected FY 2000 Revenues	5,375,000	3,500,000	1,875,000		1,000,000	0	1,000,000	10,000	0	190,000	1,200,000	100,000		1,875,00
FY1999 Revenues carried forward	1,500,000	500,000	1,000,000										1,000,000	
EXPENSE SUMMARY	6,875,000	4,000,000	2,875,000											
Personnel	1,218,588	1,038,900	179,688					Alles Carried						
Operations	2,260,000	1,960,000	300,000									-		
Services of Other Departments	3,396,412	1,001,100	2,395,312											
Personnel	1,218,588	1,038,900	179,688	342,889	214,656	0	284,573	0	0	127,874	68,908	0	62,500	117,18
Operations	2,260,000	1,960,000	300,000	1,960,000										-
21 TRAVEL	5,000	5,000	0	5,000										
22 TRAINING & CONFERENCES	5,000	5,000	0	5,000										
024 MEMBERSHIPS	500	500	0	500										
025 SPECIAL EVENTS/PROMOTION	100,000	100,000	0	100,000										
27 PROF/SPECIALIZED SERVICES	1,733,000	1,493,000	240,000											
02702 Engineering	45,000	45,000	0	45,000										
02702 environmental monitoring	500,000	500,000	0	500,000										
02711 social services	37,500	37,500	0	37,500										
02721 Auditing & Accounting	5,000	5,000	0	5,000										
02722 Financial	20,000	20,000	0	20,000										
02731 Legal	2,000	2,000	0	2,000										
02741 Realty	5,000	5,000	0	5,000										
02799 Other	40,000	40,000	0	40,000										
landscaping	685,500	445,500	240,000	445,500									70,000	200,00
economic development conveyance	393,000	393,000	0	393,000										
028 BLDG. MAINTENANCE SERVICES	252,000	222,000	30,000											
02801 Scavenger Services	87,000	72,000	15,000	72,000									15,000	
02802 Janitorial Services	100,000	85,000	15,000	85,000									15,000	
02803 Pest Control Services	15,000	15,000	0	15,000										
02899 Other Bldg Mntn. Services	50,000	50,000	0	50,000		i								
029 EQUIPMENT MAINTENANCE	1,000	1,000	0	1,000				1						



		TABL	E 1 TREASUR	E ISLAND DEV	ELOPMENT	AUTHORITY P	ROPOSED F	Y 2000 BU	DGET					
			Total	Project	TI	YBI	I Commercia	TI	YBI	TI	TI	YBI		-
		Total	City-Navy	Administration	Spec. Events	Spec. Events	& Film Studic	ilm Permit	ilm Permit	Marina	Housing	Housing	City- Navy	Agreement
			Cooperative										Jul-Sept 99	
	TOTAL	Coop Ag.	Agreement	210009	210016	210017	210018	210019	210020	210021	210022	210023		
03000 CURRENT EXPENSES	76,500	76,500	0											
03131 OFFICE MACHINE	5,000	5,000	0	5,000										
03241 TELEPHONE	10,000	10,000		10,000										
03531 GRAPHICS	15,000	15,000	0	15,000		_								
03552 PRINTING	15,000	15,000	0	15,000										
03561 POSTAGE	10,000	10,000	0	10,000										
03571 SUBSCRIPTIONS	1,500	1,500	0	1,500										
'03581 ADVERTISING	10,000	10,000	0	10,000										
03599 OTHER CURRENT EXPENSES	10,000	10,000	0	10,000										
040 OFFICE MATERIALS & SUPPLIES	10,000	10,000	0	10,000			•							
05111 INSURANCE EXPENSES	22,000	22,000	0	22,000										
06000 EQUIPMENT PURCHASES	25,000	25,000	0	25,000		*****								
SERVICES OF OTHER DEPTS	3,396,412	1,001,100	2,395,312										837,500	1,557,812
DPW Operations	2,605,475	746,100	1,859,375	746,100									325,000	1,534,375
081CP City Planning	70,000	70,000	0	70,000										
081CT City Attorney	120,000	120,000	0	120,000										
081EL Telecommunications	40,937	5,000	35,937	5,000									12,500	23,437
081PR Reproduction	5,000	5,000	0	5,000										
081FD Fire Dept Services	250,000	0	250,000	0									250,000	0
081PS Police Services	125,000	0	125,000	0									125,000	0
081UH PUC Hetch Hetchy	125,000	. 0	125,000	0									125,000	0
081RD redevelopment	55,000	55,000	0	55,000										



			Project		TI		YBI		TI Comm	ercial	TI		YBI		TI		TI	-	YBI		Соор	)
	1		Administra	tion	Spec. Eve	nts	Spec. Eve	ents	& Film St	& Film Studio		Film Permits		Film Permits			Housin	g	Housing		Agreem	ent
	TOTAL		210009		210016		210017		210018		210019		210020		210021		210022	2	210023		210011	
OB CLASS	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE	Expense*	FTE
Total	1,218,588	14.0	342,889	4.6	214,656	2.6	(	0.0	284,573	3.1	0	0.0	0	0.0	127,874	1.3	68,908	0.6	0	0.0	179,688	1./
1363	97,402	2.0	73,052	1.5																	24,351	0.
1364	52,328	1.0			52,328	1.0																
1366	182,400	3.0	72,960	1.2	12,160	0.2			72,960	1.2					6,080	0.1	12,160	0.2			6,080	0.
1372	373,680	4.0	140,130	1.5	93,420	1.0			46,710	0.5					93,420	1.0	1					1
1374	216,311	2.0	21,631	0.2	21,631	0.2			129,786	1.2					10,816	0.1	21,631	0.2			10,816	0.1
1376	120,883	1.0						1													120,883	1.0
1381	175,584	1.0	35,117	0.2	35,117	0.2			35,117	0.2					17,558	0.1	35,117	0.2			17,558	0.1
																						į







# AGENDA ITEM Treasure Island Development Authority City and County of San Francisco

Subject: Contract with TIHDI Agenda Item No.

Meeting of April 20, 1999

Contact/Phone: Annemarie Conroy, Executive Director

Eila Arbuckle, Finance Manager

274-0660

## SUMMARY OF REQUESTED ACTION

Staff request authorization to enable the Executive Director to execute a contract with the Treasure Island Homeless Development Initiative (TIHDI) for the period January 1, 1999 through December 31, 1999, for an amount not to exceed \$75,000.

## DISCUSSION

TIHDI is a California nonprofit corporation organized to utilize the resources of former Naval Base Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994. TIHDI's member organizations are all nonprofit organizations serving the homeless.

The recommended support for TIHDI will come from the revenues generated by leasing TI facilities, and will be used by TIHDI to provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation of community-based homeless service organizations in the development of plans to implement the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property on Treasure Island and Yerba Buena Island
- Coordinate activities with all public and private agencies operating on former naval base
   Treasure Island in the development of plans to implement the proposed Base Closure
   Homeless Assistance Agreement and Option to Lease Real Property
- Develop and occupy 86 units of housing on Treasure Island by October 30, 1999
- Complete plans for rehabilitating and occupying an additional 136 housing units on TI
- Operate a job broker system and secure 20 jobs for homeless and economically disadvantaged San Francisco residents by December 30, 1999
- Develop and implement a fundraising plan that will secure \$40,000 by June 30, 1999 and \$50,000 by December 31, 1999 to fund TIHDI's operations



AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE, A CALIFORNIA PUBLIC BENEFIT CORPORATION, FOR AN AMOUNT NOT TO EXCEED \$75,000 TO COORDINATE AND FACILITATE THE PARTICIPATION OF HOMELESS SERVICES ORGANIZATIONS IN IMPLEMENTING THE PROPOSED BASE CLOSURE HOMELESS ASSISTANCE AGREEMENT AND OPTION TO LEASE REAL PROPERTY.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, the City and County of San Francisco negotiated a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property with the Treasure Island Homeless Development Initiative, a California nonprofit corporation organized to utilize the resources of former naval base Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,



WHEREAS, the Authority wishes to support the Treasure Island Homeless Development Initiative pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and

WHEREAS, the Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and

WHEREAS, the Authority has negotiated with the Contractor to reach agreement on the scope of work, and budget for the services shown in Appendix A;

Now, therefore be it RESOLVED, That the Authority hereby authorizes the Executive Director of the Project to execute a contract with Treasure Island Homeless Development Initiative, a California public benefit corporation, for an amount not to exceed \$75,000 to coordinate and facilitate implementation of the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property for former naval base Treasure Island.



## CITY AND COUNTY OF SAN FRANCISCO TREASURE ISLAND DEVELOPMENT AUTHORITY 410 PALM AVENUE SAN FRANCISCO, CALIFORNIA 94130

## AGREEMENT BETWEEN TREASURE ISLAND DEVELOPMENT AUTHORITY

#### AND

## "TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE"

This Agreement is made this first day of January 1999, in the City and County of San Francisco, State of California, by and between Treasure Island Homeless Development Initiative, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, hereinafter referred to as "Authority," acting by and through the Executive Director of the Authority

## Recitals

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,



WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, the City and County of San Francisco negotiated a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property with the Treasure Island Homeless Development Initiative, a California nonprofit corporation organized to utilize the resources of former naval base Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, the Authority wishes to support the Treasure Island Homeless Development Initiative pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and

WHEREAS, the Authority has negotiated with the Contractor to reach agreement on the scope of work, and budget for the services shown in Appendix A; and

WHEREAS, approval for said Agreement was obtained from Civil Service Commission by Resolution No. dated

Now, THEREFORE, the parties agree as follows:



## 1. <u>Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation</u>

This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

## 2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from January 1, 1999 through December 31, 1999.

## 3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

## 4. Services Contractor Agrees to Perform

The Contractor agrees to perform the tasks outlined in Appendix A "Scope of Services". In performing its rights and responsibilities under this Agreement, Contractor shall comply with the workforce hiring goals for qualified homeless or otherwise



economically disadvantaged persons and San Francisco residents as specified in Addendum 1 to Appendix A, "Scope of Services".

## 5. Compensation

Compensation shall be made in monthly payments on or before the last day of each month for services performed through the last day of the preceding month that the Executive Director of the Authority, in her sole discretion, concludes has been performed. In no event shall the amount of this Agreement exceed SEVENTY-FIVE THOUSAND DOLLARS. Contractor shall invoice the Authority at a flat rate of six thousand two hundred and fifty (\$6,250) per month. Contractor shall include appropriate documentation of expenditures with each invoice.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until services required under this Agreement are received from Contractor and approved by the Treasure Island Project as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

## 6. Guaranteed Maximum Costs

- a. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.
- b. Except as may be provided by City ordinances governing emergency conditions, the City and its employees and officers are not authorized to request Contractor to perform services or to provide materials, equipment and supplies that would result in Contractor performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies agreed upon in the contract unless the agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. The City is not required to reimburse Contractor for services, materials, equipment or supplies that are provided by Contractor which are beyond the scope of the services, materials, equipment and supplies agreed upon in the contract and which were not approved by a written amendment to the agreement having been lawfully executed by the City.



- c. The City and its employees and officers are not authorized to offer or promise to Contractor additional funding for the contract which would exceed the maximum amount of funding provided for in the contract for Contractor's performance under the contract. Additional funding for the contract in excess of the maximum provided in the contract shall require lawful approval and certification by the Controller of the City and County of San Francisco. The City is not required to honor any offered or promised additional funding for a contract which exceeds the maximum provided in the contract which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.
- d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

## 7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include the Contract Progress Payment Authorization number. All amounts paid by City to Contractor shall be subject to audit by City.

Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

# 8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code section 6.57, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City;



(c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

## 9. Disallowance

Left blank by agreement of the parties.

#### 10. Taxes

- a. Payment of any taxes, including possessory interest taxes and California Sales and Use Taxes, levied upon this Agreement, the transaction, or the services delivered pursuant hereto, shall be the obligation of Contractor.
- b. If this Agreement entitles Contractor to the possession, occupancy or use of City real property for private gain, then the following provisions apply:
- (1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Contractor, and any permitted successor or assign, may be subject to the payment of such taxes.
- (2) Contractor, on behalf of itself and any permitted successors and assigns, further recognizes and understands that any assignment permitted hereunder and any exercise of any option to renew or other extension of this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Contractor shall report any assignment or other transfer of any interest in this Agreement or any renewal or extension thereof to the County Assessor within sixty days after such assignment, transfer, renewal or extension.



(3) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements under applicable law with respect to possessory interests.

## 11. Payment Does Not Imply Acceptance of Work

The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship which do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

## 12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor.

## 13. Responsibility for Equipment

City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

# 14. Independent Contractor; Payment of Taxes and Other Expenses

a. Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor is liable for the acts and omissions of itself, its employees and its agents. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor.



Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained.

b. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

# 15. Insurance

- a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:
- (1) Worker's Compensation, with Employers' Liability Limits not less than \$1,000,000 each accident; and
- (2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property



Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

- (3) Business Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.
- b. Commercial General Liability and Business Automobile Liability Insurance policies must provide the following:
- (1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.
- c. All policies shall provide tirty (30) days' advance written notice to Authority of cancellation mailed to the following address:

Annemarie Conroy, Executive Director Treasure Island Development Authority City and County of San Francisco 410 Palm Avenue San Francisco, CA 94130

- d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.
- e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.



- f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.
- g. Before commencing any operations under this Agreement, Contractor must furnish to City certificates of insurance, in form and with insurers satisfactory to City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon City request.
  - Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

# 16. Indemnification

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, resulting directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, the use of Contractor's facilities or equipment provided by City or others, regardless of the engligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee.

In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.



Contractor shall indemnify and hold City harmless from all loss and liability, including attorney's fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

#### 17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights which City may have under applicable law.

#### 18. Liability of City

CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

# 19. Liquidated Damages

Left blank by agreement of the parties.

# 20. Bankruptcy

In the event that either party shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of rights of creditors, then at the option of the



other party this Agreement shall terminate and be of no further force and effect, and any property or rights of such other party, tangible or intangible, shall forthwith be returned to it.

## 21. Termination/Termination for Convenience

In the event Contractor fails to perform any of its obligations under this Agreement, this Agreement may be terminated and all of Contractor's rights hereunder ended. Termination will be effective after ten days written notice to Contractor. No new work will be undertaken after the date of receipt of any notice of termination, or five days after the date of the notice, whichever is earlier. In the event of such termination, Contractor will be paid for those services performed under this Agreement to the satisfaction of the City, up to the date of termination. However, City may offset from any such amounts due Contractor any liquidated damages or other costs City has or will incur due to Contractor's non-performance. Any such offset by City will not constitute a waiver of any other remedies City may have against Contractor for financial injury or otherwise.

City may terminate this Agreement for City's convenience and without cause at any time by giving Contractor thirty days written notice of such termination. In the event of such termination, Contractor will be paid for those services performed, pursuant to this Agreement, to the satisfaction of the City up to the date of termination. In no event will City be liable for costs incurred by Contractor after receipt of a notice of termination. Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, or any other cost which is not reasonable or authorized under this section. This section shall not prevent Contractor from recovering costs necessarily incurred in discontinuing further work under the contract after receipt of the termination notice.

Upon termination of this Agreement, Contractor will submit an invoice to City for an amount which represents the value of its work or services actually performed prior to the effective date of termination for which Contractor has not previously been compensated, except that with respect to reimbursement for Contractor's services, in no event will the compensation paid for the month in which termination occurs be greater than the scheduled monthly fee multiplied by a fraction, the numerator of which will be the days in the month elapsed prior to the termination and the denominator of which shall be 31. Upon approval and payment of this invoice by City, City shall be under no further obligation to Contractor monetarily or otherwise.



## 22. Contractor's Default

Failure or refusal of Contractor to perform any work or service or do any act required under this Agreement shall constitute a default. In the event of any default, in addition to any other remedy available to Purchasing, this Agreement may be terminated by the Tl Project pursuant to the terms of Section 21 herein. Such termination shall not waive any other legal remedies available to Purchasing.

# 23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provisions of Section 15.103 and Appendix C 8.105 of City's Charter and Section 87100  $\underline{et}$  seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions.

# 24. Proprietary or Confidential Information of City

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

# 25. Notices to the Parties

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and registered as follows:

To City:

Annemarie Conroy, Executive Director Treasure Island Development Authority City and County of San Francisco 410 Palm Avenue San Francisco. CA 94130

To Contractor:



Sherry Williams Treasure Island Homeless Development Initiative 410 Palm Avenue San Francisco, CA 94130

#### 26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents prepared by Contractor or its Subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

#### 27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

# 28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has



been resolved, whichever is later. The State of California or any federal agency having an interest in the subject of this Agreement shall have the same rights conferred upon City by this Section.

#### 29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in a written instrument executed and approved in the same manner as this Agreement. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

# 30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

# 31. Minority/Women/Local Business Utilization; Liquidated Damages

Contractor understands and agrees to comply fully with all provisions of Chapter 12D ("Minority/Women/Local Business Utilization") of the San Francisco Administrative Code. Said provisions are incorporated herein by reference and made a part of this Agreement as though fully set forth.

In the event Contractor willfully fails to comply with any of the provisions of Chapter 12D, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or ten percent (10%) of the total amount of this Agreement, or one thousand dollars (\$1,000), whichever is greatest. The amount of liquidated damages imposed will be determined by the Director of the City's Human Rights Commission (HRC) after investigation pursuant to §12D.14(C).

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.



# 32. Nondiscrimination; Penalties

- (a) Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Contractor, in any of Contractor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Contractor.
- (b) <u>Subcontracts</u>. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.
- (c) Non-Discrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- (d) <u>Condition to Contract</u>. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.



(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

# 33. MacBride Principles--Northern Ireland

Pursuant to San Francisco Administrative Code section 12.F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

## 34. Tropical Hardwood and Virgin Redwood Ban

Pursuant to San Francisco Administrative Code section 12I.5(b), the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood or virgin redwood or tropical hardwood or virgin redwood product.

# 35. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

# 36. Resource Conservation; Liquidated Damages

Chapter 21A of the San Francisco Administrative Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with



any of the applicable requirements of Chapter 21A will be deemed a material breach of contract.

In the event Contractor fails to comply in good faith with any of the provisions of Chapter 21A, Contractor will be liable for liquidated damages in an amount equal to Contractor's net profit under this Agreement, or five percent (5%) of the total contract amount, whichever is greater. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to City upon demand and may be offset against any monies due to Contractor from any contract with City.

## 37. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

# 38. Sunshine Ordinance

In accordance with San Francisco Administrative Code section 67.24(e), contracts, contractors' bids, responses to requests for proposals and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

# 39. Prohibiting City Business with Burma

By its execution of this Agreement, Contractor attests that it is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in San Francisco Administrative



Code section 12J.2(G). The City may terminate this Agreement for default if Contractor violates the terms of section 12J.2(G).

Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth herein. The failure of Contractor to comply with any of its requirements shall be deemed a material breach of contract. In the event that Contractor fails to comply in good faith with any of the provisions of Chapter 12J of the San Francisco Administrative Code, Contractor shall be liable for liquidated damages for each violation in an amount equal to Contractor's net profit under the contract, or 10% of the total amount of the contract, or \$1,000, whichever is greatest. Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any moneys due to the Contractor from any City contract.

## 40. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

## 41. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

# 42. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

# 43. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.



#### 44. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

#### 45. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 41.

#### 46. Compliance With Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

# 47. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.



#### CITY

Recommended and approved by:

Annemarie Conroy, Executive Director Treasure Island Development Authority

Approved as to form:

Louise H. Renne City Attorney

Deputy City Attorney

Approved:

Edwin Lee City Purchaser

Approved:

Steve Nelson City Administrator

Ву\_\_\_\_\_

#### CONTRACTOR

Treasure Island Homeless Development Initiative 410 Palm Avenue San Francisco CA 94130 Fed Tax ID: 94-3280624

I have read and understood Sec. 33, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Зу \_\_\_\_\_\_

Treasure Island Homeless Development Initiative 410 Palm Avenue San Francisco CA 94130 Fed Tax ID: 94-3280624



#### APPENDIX A SCOPE OF SERVICES

#### SERVICES TO BE PROVIDED BY CONTRACTOR

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation of community-based homeless service
  organizations in the development of plans to implement the proposed Base Closure
  Homeless Assistance Agreement and Option to Lease Real Property on Treasure
  Island and Yerba Buena Island
- Coordinate activities with all public and private agencies operating on former naval base Treasure Island in the development of plans to implement the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property
- Develop and occupy 86 units of housing on Treasure Island by October 30, 1999
- Complete plans for rehabilitating and occupying an additional 136 housing units on TI
- Operate a job broker system and secure 20 jobs for homeless and economically disadvantaged San Francisco residents by December 30, 1999
- Develop and implement a fundraising plan that will secure \$40,000 by June 30, 1999 and \$50,000 by December 31, 1999 to fund TIHDI's operations

Contractor's compliance with this scope of services is contingent upon Contractor's current information about future events. Since outside factors may change and may adversely affect Contractor's ability to fulfill this scope of services, Contractor will promptly notify the Executive Director of the Authority in writing of circumstances that affect completion of the scope of services. Contractor will not be penalized for failure to fulfill all components of the scope of services if this notification is made.



#### A'DDENDUM 1 TO APPENDIX A

### 1. WORKFORCE HIRING GOALS

In performing its rights and responsibilities under this Agreement, Contractor shall comply with the following workforce hiring goals for qualified homeless or otherwise economically disadvantaged persons and San Francisco residents.

- 1.1 Contractor's Workforce Hiring Goals. Contractor shall use Good faith Efforts to meet the work force hiring goals described herein (the "Workforce Goals"). For purposes of this Section 1, Contractor's Good Faith Efforts shall include, but not be limited to, the following:
- (a) Submitting detailed written plans describing how Contractor intends to meet the Workforce Goals (a "Hiring Plan").
- (b) Listing jobs available on the Premises with the TIHDI Job Broker at least two weeks prior to advertising for applicants elsewhere;
- (c) Considering for appropriate job openings all candidates who are qualified, screened and referred to it by the TIHDI Job Broker;
- (d) Establishing with TIHDI mutually acceptable means of communicating about job openings and provide information about jobs and about outcomes of referrals within a reasonable time upon request by the TIHDI Job Broker;
- (e) Consulting with the TIHDI Job Broker on an ongoing basis about how to meet Contractor's Workforce Goals; and
- (f) Meeting and conferring with the TIHDI Job Broker to discuss and attempt to resolve any problems with Contractor meeting its Workforce Goals.
- 1.2 Burden of Proof. If the Workforce Goals are not met, Contractor shall have the burden of establishing in any Enforcement Procedure described in Section 1.9 below that it made Good Faith Efforts and that the candidates who were selected were better qualified for work than the homeless or economically disadvantages persons who applied or were referred by the TIHDI Job Broker.



- 1.3 Construction Workforce. Without obligation (other than as expressly set forth herein), Contractor shall also be required to give consideration for hiring on all construction projects on the Premises to qualified homeless or otherwise economically disadvantaged persons, and to qualified residents of San Francisco whose annual income, at the time of hire, is at or below fifty percent (50%) of median income for the City as determined by HUD.
- 1.4 Subcontracting. Contractor will consider subcontracting certain tasks to be performed by Contractor under this Agreement to TIHDI member organizations, particularly for grounds keeping, janitorial, recycling and deconstruction activities. Subcontracts with TIHDI organizations will be included for purposes of determining Contractor's Good Faith Efforts to meet the Work Force Goals.

### 1.5 Hiring Plan.

- (a) Contractor shall submit its Hiring Plan to the Authority within sixty (60) days of the Commencement Date. Contractor's Hiring Plan shall include a detailed description of how Contractor intends to meet its Workforce Goals, which description should include community outreach and recruiting efforts, hiring procedures (e.g., phased hiring), a projected schedule for meeting the Workforce Goals, and alternative courses of action if it appears that the Workforce Goals will not be met.
- (b) During the first 30 days after the Hiring Plan is submitted, the Authority and Contractor shall negotiate in good faith solutions to any deficiencies in the Hiring Plan as reasonably determined by the Authority. At the expiration of such 30-day period, the Authority shall advise Contractor, through a written "Notice of Noncompliance," of any alleged deficiency in the Hiring Plan remaining at the close of such negotiations. The Notice of Noncompliance shall state the specific basis for the alleged deficiency(ies) and the Authority's suggested cure. Contractor shall advise the Authority within 10 days of its receipt of the Notice of Noncompliance whether Contractor accepts the suggested cure. If the Contractor rejects the suggested cure, either party may proceed immediately to the Enforcement Procedure pursuant to Section 1.9 below by filing a Request for Enforcement ("Request") on the Hiring Plan. The Request shall specify the issues presented and the relief requested.
- 1.6 Reports. Contractor shall prepare reports regarding the composition of Contractor's work force reasonably satisfactory to the Authority.



- 1.7 Matters Subject to Enforcement Procedure. In addition to the initial preparation of the Hiring Plan, all matters related to implementing the Hiring Plan and the Workforce Goals are subject to the Enforcement Procedure described in Section 1.9 below.
- 1.8 Implementation of Enforcement Procedure. The Enforcement Procedure, as provided for in Section 1.9 below, shall be the exclusive procedure for resolving any dispute concerning the interpretation or implementation of the Hiring Plan or any alleged deficiency in Contractor's Good Faith Efforts to achieve the Workforce Goals. The Enforcement Procedure shall be implemented by the Human Rights Commission of the City of County of San Francisco (the "Commission"), which shall have the powers described below unless otherwise provided by law.
- (a) All subcontracts related to the Agreement ("Subcontracts") shall incorporate the provisions of this Section 1 and the Authority shall have the right to enforce said obligations, requirements and agreements against the Contractor or its subcontractors. Contractor shall require, by contract, that each subcontractor participates in Enforcement Procedure proceedings in which it may be identified in a Request, and that each subcontractor shall be bound by the outcome of such Enforcement Procedure according to the decision of the Commission.

### 1.9 Enforcement Procedure.

- (a) If the Authority reasonably determines that Contractor has failed to use Good Faith Efforts to meet the Workforce Goals, or for any other matter subject to this Enforcement Procedure the Authority shall send a written Notice of Noncompliance to Contractor describing the basis for its determination and suggesting a means to cure any deficiencies. If Contractor does not, in the reasonable discretion of the Authority, cure the deficiency within ten (10) days, the matter shall be submitted to the following Enforcement Procedure.
- (i) Prior to the filing and service of a Request, the parties to any dispute shall meet and confer in an attempt to resolve the dispute.
- (ii) The Authority, Contractor or any subcontractor may commence resolution of any dispute covered by the Enforcement Procedure by filing a Request with the Commission. Where the Authority is not the complaining party, the Request shall be served on the Authority. Where the Authority is the complaining party, the Request shall



be served on the Contractor at the Notice Address listed in the Agreement, and the noncompliant subcontractor, if any, if such service can be achieved with reasonable effort. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify the entities involved in the dispute and state the examinature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

- (iii) Service on the Contractor of the Request or any notice provided for by this <u>Section 1</u> shall constitute service of the Request or notice on all subcontractors who are identified as being in alleged noncompliance in the Request. The Contractor shall promptly serve the Request or notice, by hand delivery or registered or certified mail, on all such subcontractors.
- (iv) The TIHDI Job Broker shall have the right to present testimony or documentary evidence at Enforcement Procedure proceedings.
- (v) After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Enforcement Procedure, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction ("Temporary Relief"). The Commission shall determine whether the facts reasonably supported the issuance of Temporary Relief.
- (vi) If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request, unless otherwise agreed by the parties or ordered by the Commission upon a showing of good cause; provided, that if the complaining party seeks a temporary restraining order, the hearing on the motion for a temporary restraining order shall be heard not later than two (2) business days after the filing of the Request, and provided further, if a party seeks a preliminary injunction, such motion shall be heard on 15 days' notice. The Commission shall set the date, time and place for the Enforcement Procedure hearing(s) within the proscribed time periods by giving notice by hand delivery to the Authority and the Contractor; except, where a temporary restraining order is sought, the Commission may give notice of the hearing date, time and place to the Authority, Contractor and any affected subcontractor by telephone.



- (vii) In the Enforcement Procedure proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.
- (b) Commission's Decision. The Commission shall render a decision within 20 days of the date that the hearing on a Request is completed; provided that where a temporary restraining order is sought, the Commission shall render a decision not later than 24 hours after the hearing on the motion. The Commission shall send the decision by certified or registered mail to the Authority, the Contractor and the subcontractor, if any.
- (i) The Commission may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In a proceeding seeking a default award against a party other than the Contractor, the Contractor shall provide proof of service on the party as required by this Article. If the Contractor fails to provide proof of service, the Contractor shall pay \$2,500 as liquidated damages to the Authority, provided that no such damages shall be assessed if the Contractor demonstrates that it made good faith efforts to serve the party. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.
- (ii) Except as otherwise provided in this <u>Section 1</u>, the Commission shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agreement, or to negotiate new agreements or provisions between the parties.
- (iii) The inquiry of the Commission shall be restricted to the particular controversy that gave rise to the request for the Enforcement Procedure. A decision of the Commission issued hereunder shall be final and binding upon the Authority, Contractor, and subcontractors, if any, sent by mail to the Authority, the Contractor and the subcontractor, if any. The losing party shall pay the Commission's fees and related costs of the Enforcement Procedure. If a subcontractor is the losing party and fails to pay said fees within 30 days of the decision, the Contractor shall pay the fees. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the Commission finds that the Request was frivolous or that the Enforcement Procedure action was otherwise instituted or litigated in bad faith. Judgment upon the Commission's decision may be entered in any court of competent jurisdiction.



- (c) Remedies and Sanctions. Except as may otherwise be expressly provided herein, the Commission may impose only the remedies and sanctions set forth below and only against the non-compliant party(ies):
- (i) Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to require the effects of the Contractor's failure to make Good Faith Efforts, and/or to require Contractor and/or its subcontractors to make such Good Faith Efforts, including, but not limited to, orders enjoining the Contractor from recruiting, screening or hiring (through new hires, transfers or otherwise) any person for employment at the Premises pending resolution of the alleged deficiency(ies) in the Hiring Plan or Contractor's implementation of the Workforce Goals.
- (ii) Require the Contractor or Subcontractors to refrain from entering into new contracts related to work related to the Agreement, or from granting extensions or other modifications to existing contracts related to the Agreement, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract, with any non-compliant subcontractor until such subcontractor provides assurances satisfactory to the Authority and the Contractor of future Good Faith Efforts to comply with the Workforce Goals.
- (iii) Direct the Contractor or subcontractor to cancel, terminate, suspend or cause to be canceled, terminated or suspended, any contract or lease or portion(s) thereof for failure of the subcontractor to make Good Faith Efforts to comply with the Workforce Goals, provided, however that Subcontracts may be continued upon the condition that a program for future compliance is approved by the Authority.
- (iv) If the Contractor or subcontractor is found to be in willful breach of its obligations to make Good Faith Efforts to achieve the Workforce Goals, impose financial penalties not to exceed \$50,000 or 10 percent of the total monetary consideration contemplated by the Agreement, whichever is less, for each such breach on the party responsible for the willful breach; provided, however, no penalty shall be imposed pursuant to this paragraph for the first willful breach unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. The Contractor or subcontractor may impose penalties for subsequent willful breach whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.



- (v) Direct that the Contractor or subcontractor produce and provide to the Authority any records, data or reports that are necessary to determine if a violation has occurred and/or to monitor the performance of the Contractor or Subcontractor.
- (vi) Issue such other relief deemed necessary to ensure that the Hiring Plan is written and implemented, and that Contractor makes Good Faith Efforts to meet its Workforce Goals, including requiring the inclusion or exclusion of specific terms or provisions in the Hiring Plan based on a determination that the term(s) added or removed further the requirements and objectives of this Section 1.
- (d) Delays due to enforcement. If Contractor does not timely perform its obligations under the Agreement with the Authority because of a Commission's order against a party other than the Contractor, such order shall be deemed an event of Force Majeure, and the time for any performance by the Contractor shall be extended as provided therein; provided, however, that Contractor shall make good faith efforts to minimize any delays.
- (e) <u>Exculpatory clause</u>. The Contractor and its subcontractors hereby forever waive and release any and all claims against the Authority for Losses arising under or related to this Section 1.
- (f) <u>California law applies</u>. California law, including the California Arbitration Act, Code of Civil Procedure §§1280 through 1294.2, shall govern all the Enforcement Procedure proceedings.
- (g) Designation of agent for service. Not later than five (5) days after the execution of this Agreement, the Contractor shall designate a person or business, residing or located in the City and County of San Francisco, as its agent for service of a Request and all notices provided for herein. If the Contractor has an office located in San Francisco, it may designate itself as agent for service. The designation shall be served on
- 1.10. Relationship to Other Employment Agreements. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce-training agreements or interfere with consent decrees, collective bargaining agreements or existing employment contracts. In the case of collective bargaining agreements,



Contractor will take primary responsibility for integrating the requirements of Contractor's Workforce Goals with any such collective bargaining agreements. As necessary, Contractor will attempt to negotiate equivalent first source hiring obligations with relevant unions.



### APPENDIX B PROJECT BUDGET

The total amount payable under this Agreement shall not exceed seventy-five thousand dollars.

EXPENSES	TIDA	OTHER FUNDING SOURCES	TOTAL BUDGET 01-01-99/12-31-99
TOTAL	\$75,000	\$508,946	\$583,946
Operating Expenses	\$75,000	\$213,920	\$288,920
Personnel	50,400	113,550	129,750
Fundraising/marketing	15,000	10,000	25,000
Accounting/audit		6,000	6,000
Legal Services		10,000	10,000
Other contract services		25,000	25,000
Equipment		8,000	8,000
Insurance		2,500	2,500
Office Rent & maintenance	9,600		9,600
Supplies		6,200	6,200
Photocopying		3,900	3,900
Postage/shipping		2,720	2,720
Printing		10,600	10,600
Staff/volunteer training		3,250	3,250
Subscriptions/fees/memberships		750	750
Telephone		5,350	5,350
Travel, local		2,600	2,600
Travel. Out-of-town		3,500	3,500
Program Expenses		\$295,026	\$295,026
Community Building Activities		500	500
Community Programs planning		20,000	20,000
Engineering		15,000	15,000
Housing Developer		16,000	16,000
Training Fund		60,000	60,000
Other support services pool		183,526	183,526



### Treasure Island Development Authority Minutes of April 20, 1999 Special Meeting

The Special Meeting was convened at 9:40 a.m. and since a quorum was not initially present. Vice Chair John Elberling requested that Executive Director Annemarie Conroy give the Executive Director's Report. Ms. Conroy reported the following:

- Report on access to Treasure Island including public use last month Ms. Conroy indicated that various events were held on the island as well as the Lincoln-Mercury new model launch.
- Status of environmental clean up Martha Walters introduced her successor, John Chester, to Authority members and indicated that the draft consent order from the EPA has no effect on the Navy's clean up schedule.
- Report on short-term leases Ms. Conroy indicated that California Engineering Contractors is continuing its month-to-month lease for storage of nuts and bolts. In addition, further extension of short-term month-to-month leases with ESPN/X Games and will require authorization from the Authority. It is number 10 on today's agenda.
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10 a.m. in Room 416,

- Legislation/hearings affecting Treasure Island- Ms. Conroy reported that legislation has been introduced in the Board of Supervisors so that mayoral appointee William Fazande can join us at the next Authority meeting in May.
- Report re additional evidence of financial capabilities of Treasure Island Enterprises Steven Proud indicated that additional information had been obtained on the financial capabilities of

At 10 a.m., with the arrival of a quorum, the meeting was called to order.

DOCUMENTS DEP City Hall 2. Roll Call: Present: John Elberling, Vice Chair MAY 14 1999 Anne Halsted SAN FRANCISCO James Morales

Doug Wong (arrived 10 a.m.) PUBLIC LIBRARY Excused: Gerald Green

- 7. Ms. Conrov continued with the Executive Director's report:
  - Report on the status of personal property -Bob Mahoney reported that he Project Office is expecting an inventory list from the Navy on May 1, 1999. In addition, the Project Office

1.

Call to Order:



- will obtain a list from TIHDI so that necessary items will be transferred in time for the pioneer housing units to open.
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- Report on residential lease agreement and leasing guidelines for the John Stewart Company Lauren Sanborn of the John Stewart Company stated that 104 applications have been processed and leasing has begun. Three models are open to the public.

Mr. Morales indicated his concern with rent control issues and that the Authority's lease with the John Stewart Company stated that the City's rent control ordinance does not apply to the John Stewart units because the Authority is the rental agency. Mr. Morales asked about standards for good cause for evictions and stated that state law is not adequate. Mr. Cohen noted that language could be added to the lease regarding just case evictions. Mr. Morales stated that he does not consent to the lease form as contained in the agenda packet. Mr. Cohen indicated that he would discuss the matter with Mr. Stewart and amend the form. Mr. Elberling also noted that appeal process for those who are rejected should be better described. Mr. Morales requested that the item be considered as an action item at the next meeting.

Mr. Elberling indicated that two Authority members were compelled to recuse themselves from voting on agendas item 9 and that perhaps future agenda items could be reformulated to be considered policy items for which those who now must recuse themselves could vote.

### Approval of Minutes:

The minutes of March 10, 1999 were unanimously approved.

### 4. Communications

The Commission Secretary noted that there were no communications.

### Ongoing Business by Directors

Mr. Elberling asked Ms. Conroy the status of increased Muni service to Treasure Island and Ms. Conroy responded that now with increased numbers of people living on the island from the housing units, Job Corps expansion, she hoped that Muni's General Manager will be responsive to additional service.

Ms. Conroy also indicated that the John Stewart Company was examining starting a van or bus for internal circulation.

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- 6. Introduction of New Business by members None
- Public Comment None



9. Resolution adopting policy regarding limiting rent increases on residential leases (Action item)

Since two of the four members present recused themselves, the item will be continued until a future date

 Resolution authorizing the Executive Director to continue two month-to-month leases with ESPN related to the production of the X-Games for more than six months (Action item)

Ms. Conroy explained that that the X Games/ESPN were still using facilities on a month-tomonth basis and that authorization was need to extend the status past the six months mandated by the Authority.

Moved by Mr. Morales, seconded by Mr. Wong. Approved, 4-0.

 Resolution approving budget for Treasure Island Project Development Authority for FY 1999-2000 (Action item)

Finance Manager Eila Arbuckle initiated her presentation by stating that for FY 1998-1999 the Controller's Office certified the Authority's revenue projections at \$1.8 million and this year, with increased actual revenues, the Controller has certified \$3 million in revenues and \$500,000 of earned income carried over from last year. Both of these numbers are exclusive of the Authority's Cooperative Agreement with the Navy. These projections confirm the transition from a closed military base to a new San Francisco neighborhood. Ms. Arbuckle also noted that the amount of money from the Cooperative Agreement to the City will decrease next year.

With respect to the expense budget, Ms. Arbuckle indicated that the Project Office will add to support staff positions to last year's 11 positions. With Stephen Proud transferring from the Mayor's Office of Economic Development, the total number of positions is 14. Ms. Arbuckle indicated \$500,00 is projected to fund environmental monitoring and that the costs to develop the EDC will be spread over two years. Ms. Arbuckle stated that another large cost, landscaping, would be reduced over the next year as Authority lessees absorb landscaping costs. Ms. Arbuckle also indicated that DPW was the largest of the city departments that the Authority is funding.

Ms. Halsted opined that last year's budget was not available for comparison and requested a breakdown of DPW's expenses.

Mr. Morales inquired about professional specialized services and asked about the difference in film revenues. Mr. Elberling asked how the \$100,000 budgeted for special events will be used and Ms. Arbuckle itemized those costs. Mr. Elberling indicated that he is against casually retaining individuals for special events duties. Mr. Elberling asked how utilities were budgeted and Mr. Mahoney explained how costs and responsibilities were allocated.

For Project office staff, Mr. Elberling requested a description of job responsibilities for each staff member, salary and organization chart.

Redmond Kernan stated that no copies of the budget were available for members of the public.

Ms. Halsted moved approval, Mr. Wong seconded. Approved 4-0.



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Development Initiative (THHDI) for up to \$75,000 for coordinating activities related to the
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Ms. Conroy described the achievements enabled by the Project Office grant of \$75,000 and indicated that prospects are excellent for the future.

Sherry Williams, TIHDI, thanked Ms. Arbuckle and Mr. Mahoney for their work and listed TIHDI's achievements in the past year. Mr. Elberling requested a copy of TIHDI's services plan so it can be distributed. Ms. Williams indicated that TIHDI has expanded the number of its member agencies to 24, adding 10 new organizations.

Motion to approve by Mr. Wong, seconded by Ms. Halsted. Approved, 4-0.

Adjourn The meeting adjourned at 11:00 a.m.

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# OFFICE OF THE MAYOR

TREASURE ISLAND PROJECT 410 AVENUE OF PALMS, BLDG #1 TREASURE ISLAND SAN FRANCISCO, CA 94130 (415) 274-0660 FAX (415) 274-0299



# **AGENDA**

# TREASURE ISLAND DEVELOPMENT AUTHORITY

### CITY AND COUNTY OF SAN FRANCISCO

Room 400 City Hall 1 Dr. Carlton Goodlett Place San Francisco, California

## WEDNESDAY, MAY 12, 1999 1 PM REGULAR MEETING

Willie L. Brown, Jr., Mayor

### DIRECTORS

John Elberling, Vice-Chairperson William Fazande Gerald Green Anne Halsted James Morales Doug Wong

> Annemarie Conroy Executive Director

# Treasure Island Development Authority

City Hall, Room 400 REGULAR MEETING May 12, 1999 +1 PM

Agenda

Fax & Had Cory Post and 5/7/99 DOCUMENTS DEPT

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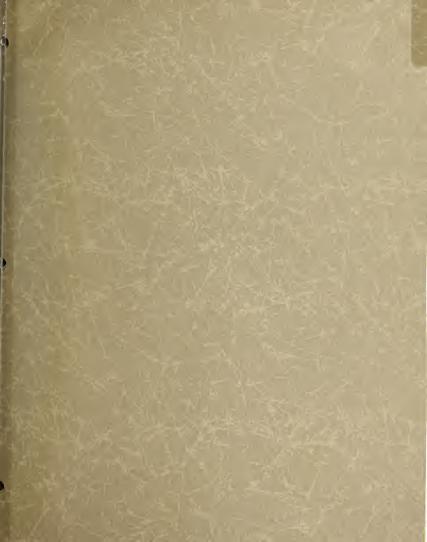
### ORDER OF BUSINESS

- 4.
- 5. Ongoing Business by Directors
- 6. Introduction of New Business by members
- - Report of the Treasure Island Project Director Annemarie Conroy
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    - Status of environmental clean up
    - · Report on short-term leases
    - · Report on San Francisco-Oakland Bay Bridge/Caltrans issues
    - · Update on status of EDC and Redevelopment Plan
    - · Report on TIHDI
    - · Report on the status of personal property
    - · Report on formation of CAC
    - · Report on negotiations with marina developer
    - Legislation/hearings affecting Treasure Island
- 8.
- Resolution approving sub-license for operation of cable system on Treasure Island 9.
- Resolution adopting policy regarding limiting rent increases on residential leases (Action
- Resolution approving residential lease form for use by the John Stewart Company (Action
- Resolution authorizing issuance of a Request for Bids (RFB) for refuse services on Treasure Island (Action item)

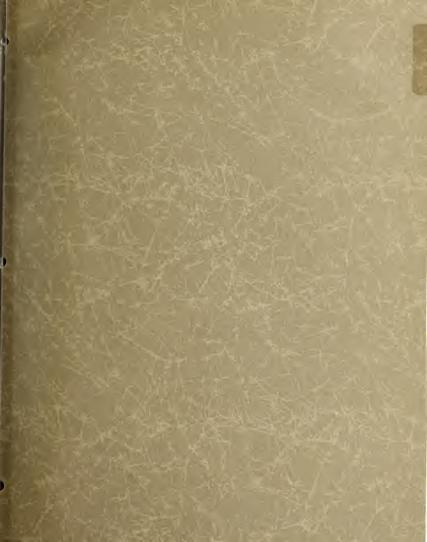
# TABLE OF CONTENTS

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# DRAFT

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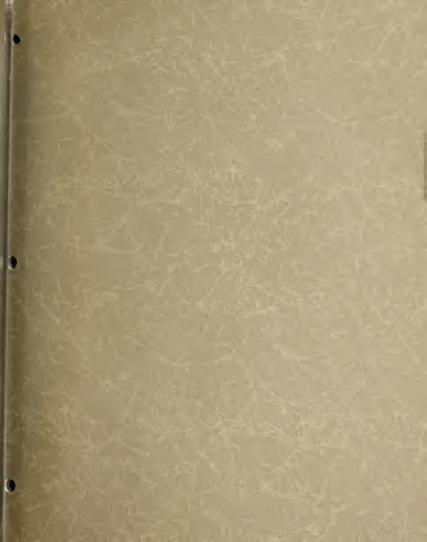
Motion to approve by Mr. Wong, seconded by Ms. Halsted. Approved, 4-0.

13. Adjourn The meeting adjourned at 11:00 a.m.



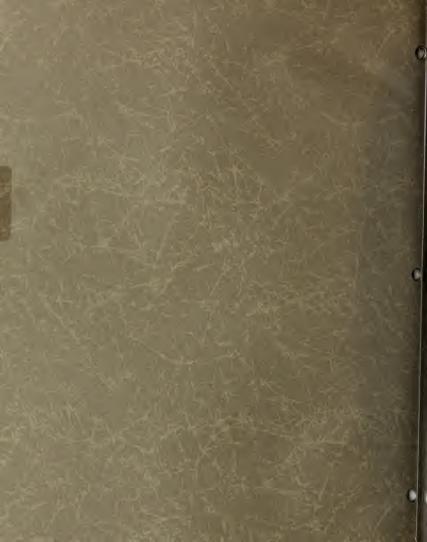




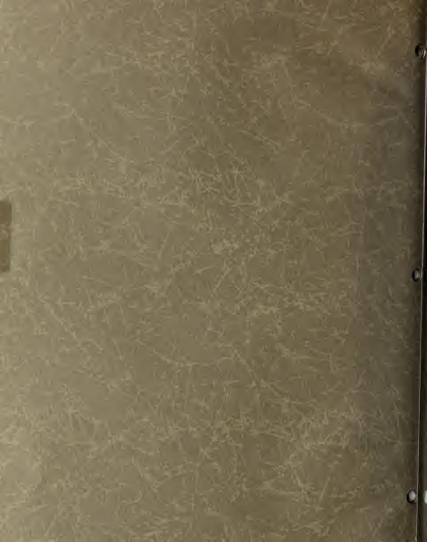


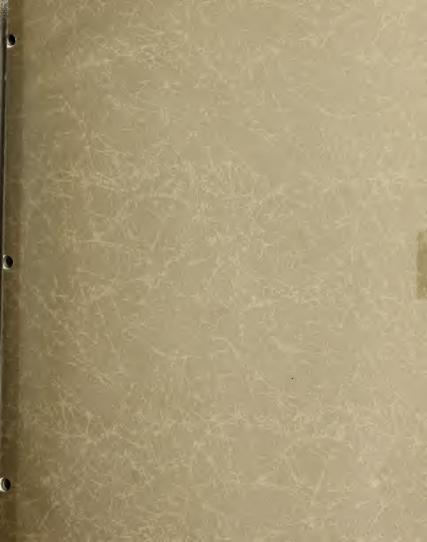




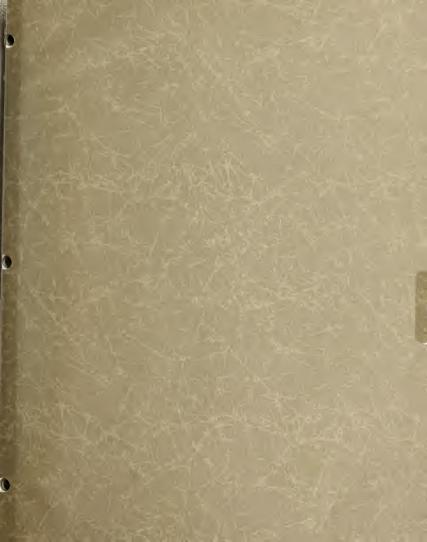


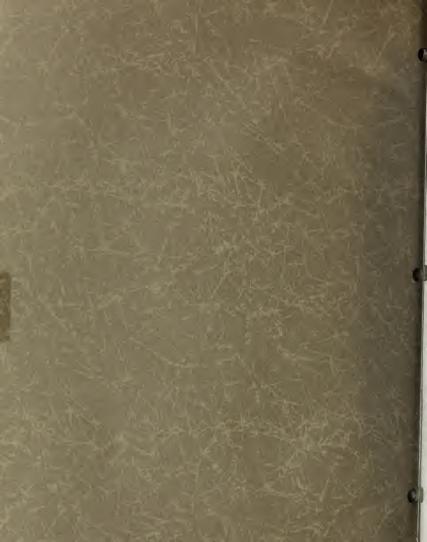












# STAFF SUMMARY OF AGENDA ITEM

(Interim Sublicense for the Provision of Cable Television Services at Treasure Island)

This agenda item relates to a proposed interim operating agreement and sublicense (the "Agreement") with Heritage Cablevision of Delaware, Inc. ("Operator"), an affiliated entity of TCI, for the provisions of cable television services to Treasure Island.

Operator built and has operated the cable television system at the Base pursuant to a contract with the Navy. However, the Navy has terminated or is in the process of terminating all contracts related to the provision of services to the Base, including its contract with Operator. Instead, according to Department of Defense policy, contracts or such services are to be made by the local reuse authority (in this case, the Treasure Island Development Authority), through direct contracts with the Navy and subcontracts with the third-party service provider.

On March 17, 1999, the Authority, pursuant to resolutions adopted by the Authority and the City's Board of Supervisors, entered into agreements with the John Stewart Company and member organizations of the Treasure Island Homeless Development Initiative related to the reuse and occupancy of up to 1,000 housing units on the Base. Occupancy of the first John Stewart Company units are expected to commence by June 1, 1999, and continue thereafter at a rate of 40-50 units per month.

Under its contract with the John Stewart Company, the Authority is obligated to use its best efforts to provide or cause to be provided cable television services to the residential tenants of the Base. In order to fulfill that obligation and ensure the availability of television and cable services to the Base, Authority staff, with the assistance of DTIS, negotiated an interim, month-to-month agreement with Operator for the provision of cable television services to the Base in substantially the form of the Sublicense and Operating Agreement attached to the resolution as <a href="Exhibit A">Exhibit A</a> (the "Agreement").



The Agreement is subordinate and subject to a month-to-month license that the Authority will receive from the Navy, at no cost, for ingress and egress to, and the right to operate and maintain, the cable system on the Base (the "Navy License"). The Agreement may be terminated by either party on thirty days notice, and requires the Operator to offer to at the Base the same channels (including public access and government channels) and levels of service, at the same rates, available to cable television subscribers in the rest of the City.

Under the Agreement, the Operator pays the Authority five percent (5%) of the gross revenues generated from the delivery of such cable services on the Base quarterly. This rate is the same rate that the City receives under its current franchise agreement with the Operator. The Operator is also required to provide free cable service to a number of public buildings at the Base, including Building 1.

In structuring the Agreement, Authority and DTIS staff sought to address the Base's immediate need for cable service, without foreclosing long-term telecommunications opportunities at Treasure Island. During this interim period, flexibility is ensured by the Agreement's month-to-month term. For the long term, DTIS and Authority staff will explore issues and opportunities related to the potential applicability of Operator's franchise agreement with the City to Treasure Island and opportunities for building new and improved telecommunications infrastructure at the Base. Depending on the resolution of these issues and the extent of these opportunities, DTIS and Authority staff will recommend to the Authority long-term approaches to telecommunications issues at the Base. In the meantime, particularly pending conveyance of the Base from the Navy, the Agreement is the most efficient means for ensuring that residents of Treasure Island receive cable television services on substantially the same terms as residents of the rest of the City.



[Sublicense for Interim Cable Television Services on Treasure Island]

AUTHORIZING AND APPROVING AN INTERIM SUBLICENSE WITH HERITAGE

CABLEVISION OF DELAWARE ("Operator") FOR THE PROVISION OF CABLE

TELEVISION SERVICES TO TREASURE ISLAND ON A MONTH-TO-MONTH BASIS.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On March 17, 1999, the Authority, pursuant to resolutions adopted by the Authority and the City's Board of Supervisors, entered into agreements with the John Stewart Company and member organizations of the Treasure Island Homeless Development Initiative ("TIHDI") related to the reuse and occupancy of up to 1,000 housing units on the Base, which occupancy is expected to commence by June 1, 1999; and,



WHEREAS, Operator, the parent company of TCI, constructed, maintained and operated the cable system at the Base pursuant to a separate franchise agreement with the Navy (the "Navy Franchise"); and,

WHEREAS, The Navy has terminated almost all of its contracts related to the provision of services at the Base, including the Navy Franchise, and, instead requires that such contracts be made by and through the Authority as the local reuse authority for conversion of the Base; and,

WHEREAS, Upon conveyance of the Base to the Authority, The Authority and the City, acting by and through the City's Department of Telecommunications and Information Services ("DTIS"), will explore long-term issues and opportunities related to the delivery of cable service to the Base, including the potential applicability of Operator's franchise agreement with the City to the Base and opportunities for building new and improved telecommunications infrastructure at the Base, and,

WHEREAS, In the meantime, in order to ensure the availability of television and cable services to the Base, and in order to fulfil its contractual obligation to the John Stewart Company to use its best efforts to make such services available to residential tenants at the Base, Authority staff, with the assistance of DTIS, have negotiated an interim, month-to-month agreement with Operator for the provision of cable television services to the Base in substantially the form of the Sublicense and Operating Agreement attached hereto as Exhibit A (the "Agreement"); and,

WHEREAS, The Agreement is subordinate and subject to a month-to-month license that the Authority will receive from the Navy, at no cost, for ingress and egress to, and the right to operate and maintain, the existing cable system on the Base (the "Navy License"); and.

1 2



WHEREAS, The Agreement may be terminated by either party on thirty days notice; and

WHEREAS, Under the Agreement, the Operator is required to offer to residential tenants at the Base the same channels (including public access and government channels) and levels of service, at the same rates, available to cable television subscribers in the rest of the City; and,

WHEREAS, Under the Agreement, the Operator shall pay the Authority five percent (5%) of the gross revenues generated from the delivery of such cable services on the Base, which rate is the same rate that the City receives under its current franchise agreement with the Operator; and,

WHEREAS, Under the Agreement, the Operator is required to provide free cable service to a number of public buildings at the Base, including Building 1; Now therefore, be it

RESOLVED, That the Authority hereby approves the Agreement and authorizes the Executive Director to enter into the Agreement on behalf of the Authority; and, be it

FURTHER RESOLVED, That the Authority authorizes the Executive Director to enter into modifications to the Agreement (including, without limitation, the attachment of exhibits) that are in the best interests of the Authority and the City, do not materially change the terms of the Agreement, and are necessary and advisable to effectuate the purpose and intent of this resolution; and, be it

FURTHER RESOLVED, Than any longer-term agreements related to the provision of cable services to the Base, including any longer-term agreements with Operator, shall require the separate approval of the Authority, which approval may be granted or withheld in the Authority's sole and absolute discretion.

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## CERTIFICATE OF SECRETARY

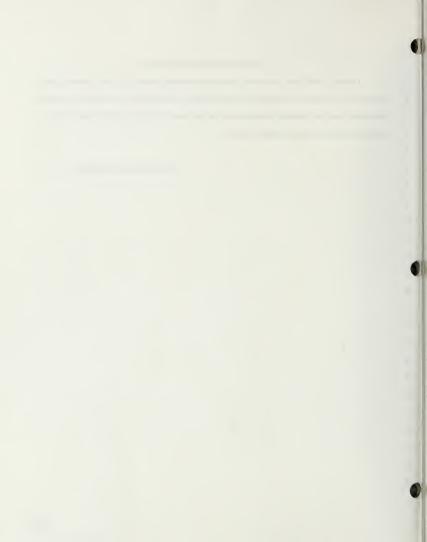
I hereby certify that I am the duly elected and acting Secretary of the Treasure Island

Development Authority, a California nonprofit public benefit corporation, and that the above

Resolution was duly adopted and approved by the Board of Directors of the Authority at a

properly noticed meeting on May 12, 1999.

John Elberling, Secretary



# EXHIBIT A

Sublicense and Operating Agreement



## DRAFT FOR DISCUSSION PURPOSES ONLY - CONFIDENTIAL

THIS SUBLICENSE is granted by the Treasure Island Development Authority (the "Authority") to Heritage Cablevision of Delaware, Inc., a Delaware corporation ("Sublicensee").

This Sublicense is entered into with reference to the following facts and circumstances:

- A. On May 2, 1997 the Board of Supervisors of the City and County of San Francisco ("Board") passed Resolution No. 244-97-003, authorizing the Mayor's Treasure Island Project Office ("Project Office") to establish the Authority as a non-profit public benefit corporation. The purpose of the Authority is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse, and conversion of the former Naval Station Treasure Island ("Base") for the public interest, convenience, welfare, and common benefit of the inhabitants of the Base.
- B. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health & Safety Code and added Section 2.1 to Chapter 13333 of the Statutes of 1968, the California Legislature (i) designated the Authority as a redevelopment authority under California redevelopment law with authority over the Base upon approval of the Authority, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation, and fisheries as to such property. The Board approved the designation of the Authority as a redevelopment authority with powers over Treasure Island in Resolution 43-8, dated February 6, 1998.
- C. Under the Treasure Island Conversion Act of 1997 and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to approve and enter into agreements or contracts affecting the Base, including without limitation, contracts for the procurement of goods and services.
- D. Sublicensee is currently operating the Cable System to provide Cable Services to portions of the Base.

#### 1. DEFINITIONS

- 1.1 "Affiliate" shall mean any Person who owns or controls, is owned or controlled by, or is under common ownership or control with Sublicensee.
  - 1.2 "Authority" shall mean the Treasure Island Development Authority.
- 1.3 "Base" shall mean the former Naval Station Treasure Island, as more particularly shown on Appendix A, attached hereto.
- 1.4 "Cable Service(s)" shall mean (a) the one-way transmission to Subscribers of (i) all video programming, or (ii) other programming service; (b) Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service; (c) any other service, whether provided by Sublicensee or any other Person, which is offered to any Person in conjunction with, or distributed over, the Cable System which is to be operated by Sublicensee pursuant to this Sublicense, for which Sublicensee has received permission of the Authority to offer pursuant to Section 3.1.
- 1.5 "Cable System" shall mean the facilities installed, operated, repaired, or maintained by Sublicensee or its Affiliate pursuant to this Sublicense.



- 1.6 "Channel" shall mean a band of frequencies in the electromagnetic spectrum that is capable of delivering NTSC (i.e. 6 MHz) signals.
  - 1.7 "Gross Revenue" shall mean:
- (a) All revenue that is received, directly or indirectly, by Sublicensee and by each Affiliate of Sublicensee, from or in connection with the distribution of Cable Service on the Cable System, including, without limitation, all revenue which is received by Sublicensee and by any Affiliate from video programming providers in connection with the distribution of video programming or other programming on the Cable System; the value of any free services provided by Sublicensee, except as provided in (b); and all advertising revenue which is derived directly or indirectly by Sublicensee and by each Affiliate from or in connection with the distribution of any Cable Service over the Cable System.
- (b) Gross Revenue shall not include the fair market value of any free services provided by Sublicensee to employees of Sublicensee, to Public Buildings, or as a contribution to any organization exempt from taxation pursuant to Section 501(c) of the Internal Revenue Code, as amended.
- 1.8 "Navy License Area" shall mean the area designated in the Navy's Sublicense to the Authority, set forth more particularly in Appendix B, attached hereto.
- 1.9 "PEG Channel(s)" shall mean a Channel designated for transmission of public, educational, or governmental or video signals pursuant to Section 14 of the Sublicense.
- 1.10 "Person" shall mean any individual, partnership, association, joint stock company, trust, corporation, or governmental entity.
- 1.11 "Public Building" shall mean (i) all buildings identified in Appendix C; and (ii) up to five (5) additional buildings requested by the Authority or the City and County of San Francisco ("City") and reasonably approved by Sublicensee.
- 1.12 "San Francisco Cable Television Franchise" shall mean Ordinance No. 105-64, as amended.
- 1.13 "Sublicense" shall mean all the terms of this Sublicense and all exhibits and appendices thereto.
- 1.14 "Subscriber" shall mean any Person who lawfully receives any Cable Service provided by Sublicensee over the Cable System within the geographic boundaries of the Base, including Persons receiving service in Public Buildings.

### 2. GRANT

This Sublicense authorizes Sublicensee to use, operate, repair, and maintain the Cable System in the Navy License Area on the Base, including all rights of ingress, egress, and access provided to the Authority under the Navy Sublicense.

## 3. SCOPE OF GRANT

3.1 <u>Limited Authorization.</u> The purpose of this Sublicense is to permit Sublicensee to maintain and operate a Cable System within the Navy License Area and provide Cable Services to the Base. Should Sublicensee desire to make any additional or



other use of all or any part of the Cable System, such additional use shall require the prior approval of the Authority, [which approval it may grant or withhold in its sole and absolute discretion], on such terms and conditions as the Authority [may approve in its sole and absolute discretion] and Sublicensee may agree.

3.2 <u>Sublicensee Privileges Subordinate</u>. No privilege or exemption is granted or conferred by this Sublicense except those specifically prescribed herein. Any privilege claimed under this Sublicense by Sublicensee in the Navy License Area shall be subordinate and subject to the Navy License. All rights granted herein shall automatically terminate upon termination of the Navy License.

### 4. TERM

This Sublicense shall be in effect on the later of (i) the date this Sublicense has been duly executed and delivered by the parties and (ii) the date this Sublicense is approved by the Authority ("Effective Date"). The Sublicense shall continue on a month-to-month basis until either the Authority or Sublicensee elects, in their respective sole and absolute discretion, to terminate this Sublicense by giving the other party at least thirty (30) days written notice, unless sooner terminated pursuant to the terms hereof.

### 5. MAPS

Sublicensee shall at all times make available to the Authority and the Department of Telecommunications and Information Services full and complete plans, maps, and records showing the exact location of all Cable System equipment installed in the Navy License Area on the Base.

Sublicensee has filed with the Authority, prior to the Effective Date, a set of system design maps showing all Cable System equipment installed in the Navy License Area. Sublicensee shall provide additional maps, produced in a hard-copy format and in an electronic format, to the Authority and the Department of Telecommunications and Information Services, upon any material change to the Cable System, or within thirty (30) days of a written request by the Authority, no more than twice a year.

## 6. LIMITATION ON ASSIGNMENT OR TRANSFER

This Sublicense is personal to Sublicensee and neither this Sublicense nor the rights conferred under it shall be assigned, conveyed, encumbered, or otherwise transferred by Sublicensee under any circumstances without the prior written consent of the Authority, which consent may not be unreasonably withheld. Any attempt to assign, convey or otherwise transfer this Sublicense without the Authority's approval shall, at the Authority's sole option, be null and void and cause the immediate termination of this Sublicense. Subject to this prohibition, the obligations and rights arising from this Sublicense shall be binding upon and inure to the benefit of any lawful successors and assigns of Sublicensee.

A sale or transfer of stock or assets or other equitable interests of Sublicensee, or of any parent, subsidiary or other Affiliate of Sublicensee, which effects a material change in Sublicensee's ownership or control, as determined by the Authority in its sole discretion, shall be deemed to constitute an assignment under this Section.



## 7. SERVICE OBLIGATION: PROGRAMMING AND RATES

7.1 Requests for Service. Within the Navy License Area, Sublicensee shall perform standard installations within seven (7) days of any request for service, provided such seven (7) day period may be extended for delays related to the Navy's issuance of a Dig Permit as provided in Section 11.1(a) below. "Standard" installations are those that are located up to 125 feet from the existing distribution system. Sublicensee shall not arbitrarily or unlawfully discriminate among Persons in the availability of services or in the rates. terms, and conditions thereof.

Sublicensee shall provide the same services at the same rates as provided in the City and County of San Francisco, provided however that Sublicensee shall not be obligated to upgrade the cable system pursuant to the terms of proposed Ordinance No. 990376.

7.2 <u>Programming.</u> By October 1, 1999, Sublicensee shall provide the same programming and channel line-up that it provides to other residents of the City and County of San Francisco, including all public, educational, and government access channels.

### 7.3 Rates.

- (a) Sublicensee shall file with the Authority a schedule of rates and charges ("Schedule") that sets forth the charges for each service that Sublicensee offers to Subscribers. Sublicensee agrees that it shall not perform any services for Subscribers for any compensation other than that which is stated in the Schedule. Rates shall be the same as those for the same level of service provided to other residents of the City and County of San Francisco, and shall include a Low Income Rate as set forth in Section 26.1 of the San Francisco Cable Television Franchise. Sublicensee's rates shall comply with all applicable Federal Communications Commission ("FCC") regulations.
- (b) Notice of any proposed modification of such Schedule shall be filed with the Authority and the City's Department of Telecommunications and Information Services on the earlier of (i) the date required by FCC regulations (which currently require ninety (90) days notice), or (ii) sixty 60 days prior to the effective date of any such modification, but in no event less than thirty (30) days before notice of such modification is provided to Subscribers.
- 7.4 <u>Customer Service</u>. Any and all complaints regarding bills and the quality of signals or service will be promptly handled in the manner provided in Section 4(c) of the San Francisco Cable Television Ordinance.

### 8. COMPLIANCE WITH LAWS

Sublicensee shall at all times comply with the applicable laws, ordinances, rules, and regulations of the Federal government, the State of California, the City, the Authority, and all governing agencies, districts, or other bodies that have jurisdiction applicable to direct and indirect acts of Sublicensee in the performance of this Sublicense, including, but not limited to California Public Utilities General Orders 95 and 128, as amended. It shall be Sublicensee's responsibility, at Sublicensee's sole expense, to obtain any required permit(s) or Sublicense(s).

8.1 Regulatory Authority. Sublicensee shall be subject to police powers exercised by local government entities.



## 9. REMOVAL AND RELOCATION OF FACILITIES

At the Authority's request, Sublicensee, at Sublicensee's sole expense, shall protect, support, temporarily disconnect, relocate in, on, under, or over, or remove from the Navy License Area, any property when required by the Authority by reason of traffic conditions, public safety, street vacation, freeway or street construction, change, or establishment of street grade, installation of sewers, drains, water pipes, power lines, or tracks or any other type of structures or improvements by the Authority or other public agencies when acting in a governmental or in a proprietary capacity, or for any public improvement, not limited to the foregoing, of any character whatsoever.

### 10. CABLE SYSTEM AVAILABLE FOR EMERGENCY/CIVIL DEFENSE

The Cable System shall be made available immediately without charge as a public service for the use of the Authority or any department of the City or any other public agency performing civil defense or disaster services.

### 11. ALTERATIONS: IMPROVEMENTS: CITY USE OF CONDUIT

### 11.1 New Conduit.

- (a) Any trenching by Sublicensee on the Base, related to the alteration, improvement, or maintenance of the Cable System, or for any other purpose, requires the prior consent of the Navy as evidenced by the permit form attached hereto as Appendix D, (a "Dig Permit") and the prior consent of the Authority's Executive Director, except as provided by Federal law.
- (b) If Sublicensee trenches on the Base, Sublicensee shall install, without charge to the Authority or the City, one continuous and usable duct for use by the City, provided that this provision shall not apply to conduit installed to provide lateral service connections to individual Subscribers. All applications for excavation permits to install underground conduit by or on behalf of Sublicensee shall include drawings identifying the conduit to be installed on behalf of the City. All conduit installed for use by the City shall be marked for ready identification in the field, shall be at least two inches in diameter, shall be installed with a pull-string inside, and shall be connected from one underground vault to another. Sublicensee shall file as-built drawings, in a format reasonably specified by the Director of the Department of Public Works, specifically identifying the conduit installed for the City's use within thirty (30) days after the completion of construction or within thirty (30) days after the completion of construction or within thirty (30) days after the completion of construction or within thirty (30) days after the completion of construction or within thirty (30) days after the completion of construction or within thirty (30) days after the completion of construction or within thirty (30) days after the expiration of the permit, whichever is sooner, with the Department of Public Works and the Department of Telecommunications and Information Services, or any successor departments.

## 11.2 City Access To and Use of Conduit.

(a) Sublicensee shall provide access, at no charge to the City, to all conduit installed for use by the City within 24 hours after notice from the City, provided that the Sublicensee shall provide the City with immediate access to conduit occupied by the City (within one hour of a request during regular business hours -- between 8 a.m. and 5 p.m. Monday through Friday -- and within two hours of a request at all other times) in the event of an emergency. The Sublicensee will provide the Directors of the Department of Public Works and the Department of Telecommunications and Information Services with a twenty-four hour emergency contact number for purposes of providing the City with emergency conduit access.



(b) The City may use any conduit provided pursuant to Section 11.1 for any lawful municipal or public purpose acting in its governmental or proprietary capacity; provided, however that the City shall not sublease any conduit provided by the Sublicensee to any non-governmental party nor use or permit the use of such conduit to provide services to third parties, other than governmental entities and entities that may be designated to manage and control a PEG Channel, in competition with services provided over the Cable System.

## 12. TECHNICAL REQUIREMENTS

12.1 <u>Construction</u>. All installation shall be of a permanent nature, durable, and installed in accordance with good engineering practice and shall comply with all existing and future. Authority resolutions, regulations, and orders of general applicability so as not to interfere in any manner with the rights of the public or individual property owners, and shall not interfere with the travel and use public places or facilities by the public and during the construction, repair, or removal thereof, shall not construct or impede traffic. The Cable System shall be operated and maintained so that all Subscribers receive signals of good technical quality, in compliance with FCC technical standards as set forth in CFR Part 76, Subpart K.

Should any interference with any frequencies develop, the Authority may require that any or all operations of Sublicensee under this Sublicense be immediately suspended and be not resumed until the cause of such interference has been corrected to the satisfaction of the Authority.

Throughout the term of the Sublicense, all new and replacement construction will be accomplished with then current state-of-the-art equipment, equivalent to that specified for the San Francisco rebuilt system, pursuant to proposed Ordinance No. 990376.

Sublicensee shall, at its own cost and expense and under the supervision of the Authority and the Department of Telecommunications and Information Services, conduct any suitable test of the Cable System, upon seven (7) days written notice from the Authority that such a test is required in the enforcement of this provision. Sublicensee shall provide the Authority and the Department of Telecommunications and Information's Services the opportunity to attend and supervise any test of the Cable System, and shall reimburse the Authority and the Department of Telecommunications and Information Services for the reasonable costs to supervise any test of the Cable System.

### 13. SERVICE TO PUBLIC BUILDINGS

13.1 <u>Public Buildings Served.</u> Sublicensee shall provide service to Public Buildings as set forth below.

## 13.2 Service Level in Public Buildings.

- (a) Sublicensee shall, at Sublicensee's sole cost and expense, install a cable drop and outlet upon thirty (30) days advance written notice to any Public Building on Appendix C.
- (b) Sublicensee's service to Public Buildings shall include, at Sublicensee's sole cost and expense, the installation and maintenance of at least one cable drop and outlet but shall not include relocation of outlets. All outlets shall be initially installed at any reasonable location on the premises identified by the Authority and the



Licensee. An "outlet" shall include all equipment that may be required to receive the services required pursuant to paragraph (d) but shall not include any television set.

- (c) Sublicensee shall provide signal to (i) multiple outlets in the Public Buildings specified by the Authority, on Exhibit \_\_\_\_ attached hereto or as reasonably agreed by Sublicensee and the Authority and (ii) a single outlet in all other Public Buildings; provided, however that, Sublicensee shall be under no obligation to serve more than twenty (20) outlets in any Public Building.
- (d) Sublicensee's service to Public Buildings, at Sublicensee's sole cost and expense, shall include basic cable services and the cable programming service tier, or their functional equivalents as determined by mutual agreement of the Authority and Sublicensee.
- (e) Services provided to Public Buildings pursuant to Section 13 shall not be used for any commercial premises within a Public Building.

# 14. PUBLIC, EDUCATIONAL AND GOVERNMENTAL ("PEG") ACCESS CHANNEL TRANSMISSION

Sublicensee shall provide a transmission path for distribution of PEG Channel signals that is transparent such that it does not cause noticeable degradation of picture, sound, or information quality, according to applicable industry standards. In addition, Sublicensee's distribution and delivery of signals on the PEG Channels shall satisfy all FCC technical standards for Cable Television Service, as they may be amended.

### 15. SUBLICENSE FEE

- 15.1 <u>Calculation of Fee.</u> For the term of the Sublicense, Sublicensee will agree to pay the Authority a five percent fee on Gross Revenue arising from or in connection with the operation of the Cable System to provide Cable Services.
- 15.2 <u>Projection Report.</u> Sublicensee shall provide the Authority with a projection of the amount of fee proceeds to be paid to the Authority during the next fiscal year prior to execution of this Sublicense. The projection report shall be revised annually.
- 15.3 Payment of Fee. Sublicensee shall pay the five percent fee to the Authority quarterly and the payment thereof shall be due on or before the end of each period of ninety (90) days, beginning with ninety (90) days after the Effective Date. Such payment shall be accompanied by a statement duly verified before a notary public showing in detail total Gross Revenue during the preceding month.
- 15.4 Accounts. Sublicensee and its successors or assigns, shall at all times keep and maintain a full, true, and correct account of all Gross Revenues arising out of operations under this Sublicense. Books of accounts and all other records shall at all reasonable times be open to inspection and examination by the City, and by officers, agents, and employees authorized by the City, and shall be kept in such form as to enable the City to ascertain and check the amounts due to the Authority and determine any other facts relative to operations under this Sublicense. The City reserves the right of audit and recomputation of any and all amounts paid under this Sublicense.



# 16. BENEFITS NOT FEES/LIMITATION ON SUBSCRIBER PASSTHROUGHS

Sublicensee acknowledges that performance of the obligations set forth in this Sublicense shall not in any way modify or affect Sublicensee's obligations to pay fees. Although the total sum of fee payments and expenditures required to perform other obligations set forth in this Sublicense may exceed five per cent of Sublicensee's Gross Revenues in any 12-month period, expenditures required to perform obligations under the Sublicense shall not be offset or credited against any Sublicense fee payments due to the Authority during the term of this Sublicense.

#### 17. PERFORMANCE BONDS

Within thirty (30) days of the Effective Date of this Sublicense, Sublicensee shall provide to the Authority a performance bond to guarantee Sublicensee's faithful performance pursuant to the terms of this Sublicense. The bond shall be in the form of a corporate surety bond in a sum not less then one hundred thousand dollars (\$100,000). The corporate surety issuing this bond shall be liable to the Authority for all liquidated damages that may be due the Authority under this Sublicense. The corporate surety on the bond shall be legally authorized and licensed through the California Department of Insurance to engage in the business of furnishing surety bonds in the State of California. The corporate surety shall have an "A-VIII" or better rating in Bests Rating Guide and shall be satisfactory to the Authority. The Authority shall be the sole obligee under the bond.

Neither the provisions of any bond accepted by the Authority pursuant hereto nor any damage recovered by the Authority thereunder shall be construed to excuse faithful performance by Sublicensee or limit the liability of Sublicensee under this Sublicense or for damages, either to the full amount of the bond or otherwise, or preclude exercise of any other right or remedy given to the Authority by law, whether exercised concurrently or subsequently.

17.1 <u>Failure to Perform.</u> In the event that Sublicensee shall fail to comply with the provisions of this Sublicensee, except in those cases where Sublicensee's failure to comply is through no fault of Sublicensee (such as the Navy's refusal to issue a Dig Permit, Sublicensee's inability to obtain a pole permit or any other matter beyond the reasonable control of Sublicensee), there shall be recoverable jointly and severally from the principal and surety of such bond a payment of five hundred dollars (\$500) per day until such failure is remedied. Inability to obtain permission for access to private property shall constitute excusable nonperformance.

### 18. CURE FOR NONPERFORMANCE

Upon any failure of Sublicensee to commence, pursue, or complete any work required of it by an existing or future ordinance, resolution, or regulation of the Authority, or by State law, or by provisions of this Sublicense, to be done in the Navy License Area, the Authority, at its option and according to law, may cause such work to be done and Sublicensee shall pay to the Authority the cost thereof in itemized amounts as reported by the Authority to Sublicensee, within thirty (30) days after receipt of such itemized report.

## 19. INDEMNIFICATION

Sublicensee shall indemnify, hold harmless, and defend the Authority, the City, and the Navy, its board, commissions, officers, agents, and employees, against any and all liabilities for injury to or death of any Person or any injury to any property caused by



Sublicensee, its officers, agents, or employees in the construction, operation, or maintenance of the Cable System, or arising out of the exercise of any right or privilege under this Sublicense.

### 20. INSURANCE

Sublicensee agrees that at all times during the existence of this Sublicense it will, at its own expense, maintain in force, furnish to the Authority, and file with the Authority, a general comprehensive liability insurance policy, in protection of the Authority, members of its boards and commissions, and its officers, agents and employees, in a company approved by the Authority and in form satisfactory to the Authority, protecting the Authority, and said Persons against liability for loss or damages for bodily injury, death, and property damage occasioned by the operations of Sublicensee under this Sublicense, with minimum liability limits of one million dollars (\$1,000,000) for personal injury or death of any one person, and five million dollars (\$5,000,000) for personal injury or death of two or more persons, in any one occurrence, and five hundred thousand dollars (\$500,000) for damages to property resulting from any one occurrence.

Additional public agencies and their personnel shall be added to any such policy as additional insureds, subject to the same terms and conditions, at the request of the Authority.

The policies mentioned in the foregoing paragraph shall contain a provision that a written notice of any cancellation or reduction in coverage of said policies shall be delivered to the Authority thirty (30) days in advance of the effective date thereof.

If such insurance is provided in either case by a policy which also covers Sublicensee or any other entity or Person than those above named, then such policy shall contain the standard cross-liability endorsement.

#### 21. TERMINATION

The Sublicense is completely terminable, without penalty, at the sole discretion of either the Authority or Sublicensee or their successors upon thirty (30) days' written notice to the other party. The Sublicense is renewable solely at the election of the Authority and confers no right of renewal on Sublicensee.

### 22. ABANDONED PROPERTY

Within thirty (30) days of termination of this Sublicense, Sublicensee shall promptly remove from the Navy License Area any property owned by Sublicensee involved in the operation of the Cable System, that has not been removed from the Navy License Area within thirty (30) days after the use of any of Sublicensee's property has been permanently discontinued or is otherwise terminated. Sublicensee shall restore the Navy License Area so as to conform in all respects with the current condition of same at the date of such restoration, except, however, that such property shall not be removed if the Authority shall determine that said removal will cause unreasonable damage to Navy License Area.

The Authority may, at its discretion, permit any property owned by Sublicensee, involved in the operation of the Cable System, to be abandoned in place, provided that Sublicensee shall submit to the Authority an instrument satisfactory to the Authority transferring to Authority the ownership of such property in fee simple.



### 22.1 Holdover

In the event of its holding over after termination of this Sublicense, Sublicensee shall render compensation pursuant to the provisions of this Sublicense until the effective date of a new Sublicense or removal of the Cable System pursuant to Section 22 of this Sublicense.

### 23. GENERAL PROVISIONS

23.1 Notices. Any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested, or by reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address of the Authority:	Treasure Island Development Authorty Treasure Island Project Office 401 Palm Avenue Building 1, Room 217 Treasure Island Attn: Executive Director Fax No.: (415) 554-3808
With a copy to:	Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4682 Attn: Telecommunications Team Fax No.: (415) 554-4757
	Department of Telecommunications and Information Services 875 Stevenson Street, Fifth Floor San Francisco, CA 94103-0948 Attn: Director
Notice Address of Sublicensee:	
Notice Address of the Navy:	Commanding Officer (Code 24) Engineering Field Activity West Naval Facilities Engineering Command 900 Commodore Drive San Bruno California 94066

Any notice that would otherwise be sent by Sublicensee to Persons who receive Cable Service in Public Buildings, shall be sent to the Authority and the City at the addresses and as provided above.

23.2 <u>Titles.</u> All section and subsection titles are for reference only and shall not be considered in construing this Sublicense.



- 23.3 <u>Modification or Amendment.</u> This Sublicense shall not be modified except upon written agreement of the parties hereto. The Authority and Sublicensee agree to meet and confer in good faith if amendment or modifications are proposed.
- 23.4 <u>Assignment of Authority.</u> Wherever the Sublicense designates a specific Authority officer, employee or entity to perform any duty or exercise any authority under the Sublicense, the Authority specifically reserves the right to reassign such responsibility or authority to any other officer, employee, department, or commission of the Authority or the City. The Authority is specifically authorized to exercise the Authority's right to reassign any responsibility or authority and shall notify Sublicensee of any such reassignment.
- 23.6 Severability. If any section, subsection, sentence, clause, or phrase of this Sublicense is for any reason held illegal, invalid, or unconstitutional, such invalidity shall not affect the validity of the Sublicense or any of the remaining portions thereof. The invalidity of any portion of this Sublicense shall not abate, reduce, or otherwise affect any consideration or other obligation required of Sublicensee by this Sublicense.
- 23.7 Counterparts. This Sublicense may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
- 23.8 Navy's Consent. This Sublicense is expressly conditioned upon receipt of the written consent of the Navy.

### 24. SPECIAL PROVISIONS

## 24.1 Non-Discrimination.

- (a) <u>Covenant Not to Discriminate.</u> In the performance of this Sublicense, Sublicense covenants and agrees not to discriminate on the basis of the fact of perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Sublicensee in any of Sublicensee's operations within the Unites States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Sublicensee.
- (b) Non-Discrimination in Benefits. Sublicensee does not, as of the Effective Date of this Sublicense, and will not during the term, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- (c) <u>Incorporation of Administrative Code Provisions by Reference.</u> The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Sublicense as though fully set forth herein. Sublicensee shall comply fully with and be bound by all of the provisions



that apply to this Sublicense under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Sublicensee understands that pursuant to Section 12.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each calendar day during which such person was discriminated against in violation of the provisions of this Sublicense may be assessed against Sublicensee and/or deducted from any payments due Sublicensee.

- 24.2 MacBride Principles Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Sublicensee acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.
- 24.3 <u>Tropical Hardwood Ban.</u> The City urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood or tropical hardwood product.
- 24.4 <u>Burma (Myanmar) Business Prohibition.</u> Sublicensee is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in Section 12J.2(G) of the San Francisco Administrative Code. The Authority reserves the right to terminate this Sublicense for default if Sublicensee violates the terms of this clause.

Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth herein. The failure of Sublicensee to comply with any of its requirements shall be deemed a material breach of this Sublicensee. In the event Sublicensee fails to comply in good faith with any of the provisions of Chapter 12J of the San Francisco Administrative Code, Sublicensee shall be liable for liquidated damages for each violation in an amount equal to Sublicensee's net profit under this Sublicensee, or 10% of the total amount of the Sublicense, or \$1,000, whichever is greatest. Sublicensee acknowledges and agrees the liquidated damages assessed shall be payable to the Authority upon demand and may be setoff against any moneys due to the Sublicensee from this Sublicensee.

24.5 <u>Prohibition of Tobacco Advertising.</u> Sublicensee acknowledges and agrees that no advertising of eigarettes or tobacco products is allowed on any real property owned by or under the control of the City or the Authority. This prohibition includes the placement of the name of a company producing selling or distributing eigarette or tobacco products or the name of any eigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local, or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

Sublicensee and the Authority have executed this Sublicense in triplicate as of the date first written above.



TREASURE ISLAND DEVELOPMENT AUTHORITY:	TELECOMMUNICATIONS INC.
Executive Director  Date:	Signature Name:
CITY & COUNTY OF SAN FRANCISCO:	Address:
Recommended By:	Date:
JULIA M.C. FRIEDLANDER, Director, Department of Telecommunications and Information Services	
Date:	
Approved as to Form:	
LOUISE H. RENNE, City Attorney	
CHRISTINE E. FERRARI, Deputy City Attorney	
Dotes	



## ATTACHMENTS

Appendix A: Map of the Base Appendix B: Navy License Area Appendix C: List of Public Buildings Appendix D: Dig Permit







### STAFF SUMMARY OF AGENDA ITEM TO

## Rent Control Policy

On March 17, 1999, the Authority, pursuant to resolutions adopted by the Authority and the City's Board of Supervisors, entered into a Sublease, Development, Marketing and Property Management Agreement (the "Agreement") with the John Stewart Company to have up to 766 of the housing units on the Base rehabilitated, marketed and leased to residential tenants ("TI Tenants") Under the Agreement, rental rates for TI Tenants were set at approximately 30% of 100% of Area Median Income ("100% AMI"), subject to certain adjustments for views and other amenities, and are inclusive of basic utilities.

A complete schedule of the rental rates for the units, on a unit-by-unit basis, was attached to the Agreement as Exhibit J (the "Approved Rental Rates"). Under the Agreement, any changes to the Approved Rental Rates require the prior approval of the Authority, provided, however, that the Executive Director may approve increases or decreases to the Approved Rental Rates by no more than 10%.

Under Section 37(P)(2) of the City's Residential Rent Stabilization and Arbitration Ordinance (the "Ordinance"), TI Tenants are not covered by the Ordinance because the rents charged to TI Tenants are set by the Authority, a governmental entity. Nonetheless, Mayor Willie Brown asked the Authority to consider adopting a policy that it would not approve rent increases upon any lease renewal or extension that would be greater than as permitted under the Ordinance.

The Ordinance provides, among other things, that a landlord may not increase rents upon lease renewal or extension by more than 60% of the increase in the Consumer Price Index, per year, subject to certain stated expectations and acceptable cost pass-throughs. Accordingly, the above-referenced resolution would provide that it shall be the policy of the Authority that the rental rates charged each TI Tenant upon the renewal or extension of his or her residential lease (but not after any vacancy or termination of such lease) will not be increased from the rental rates charged such TI Tenant at the commencement of his or her residential lease by an amount or at a rate greater than as would be permitted under the Ordinance (as described above).



1 [Policy Statement Regarding Limiting Rent Increases on Residential Leases]
2 ADOPTING A POLICY THAT THE RENEWAL RENTAL RATES FOR OCCUPIED
3 RESIDENTIAL UNITS MANAGED BY THE JOHN STEWART COMPANY AT TREASURE
4 ISLAND SHALL NOT BE PERMITTED TO INCREASE AT A RATE GREATER THAN AS
5 PERMITTED UNDER THE SAN FRANCISCO RESIDENTIAL RENT STABILIZATION
6 ORDINANCE

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

administer the public trust for commerce, navigation and fisheries as to such property; and,
WHEREAS, On March 17, 1999, the Authority, pursuant to resolutions adopted by the
Authority and the City's Board of Supervisors, entered into a Sublease, Development,
Marketing and Property Management Agreement (the "Agreement") with the John Stewart
Company ("JSCO") to have up to 766 of the housing units on the Base rehabilitated, marketed
and leased to residential tenants ("TI Tenants"); and



WHEREAS, Under the Agreement, rental rates for TI Tenants were set at approximately 30% of 100% of Area Median Income ("100% AMI"), subject to certain adjustments for views and other amenities, and are inclusive of basic utilities; and,

WHEREAS, A complete schedule of the rental rates for the units, on a unit-by-unit basis, was attached to the Agreement as Exhibit J (the "Approved Rental Rates"), and,

WHEREAS, Under the Agreement, any changes to the Approved Rental Rates require the prior approval of the Authority, provided, however, that the Executive Director may approve increases or decreases to the Approved Rental Rates by no more than 10%; and

WHEREAS, The City's Residential Rent Stabilization and Arbitration Ordinance, at Chapter 37 of the San Francisco Administrative Code (the "Ordinance"), provides, among other things, limitations on the rate at which a tenant's rent upon lease renewal or extension can be increased over the rent charged such tenant at initial occupancy during the term (but not after a vacancy or termination) of such residential tenancy (the "Rent Increase Limitations"); and

WHEREAS, Under Section 37(P)(2) of the Ordinance, TI Tenants are not covered by the Ordinance because the rents charged to TI Tenants are set by the Authority, a governmental entity; and,

WHEREAS, The Authority and the City wish to provide TI Tenants the security that the rental rates charged a TI Tenant on renewal or extension will not be increased from the rental rate charged such TI Tenant at initial occupancy by an amount or at a rate greater than as would be permitted under the Rent Increase Limitations of the Ordinance; Now therefore, be it,

RESOLVED, That is shall be the policy of the Authority that the rental rates charged each TI Tenant upon the renewal or extension of his or her residential lease (but not after any vacancy or termination of such lease) will not be increased from the rental rates charged such



TI Tenant at the commencement of his or her residential lease by an amount or at a rate greater than as would be permitted under the Rent Increase Limitations of the Ordinance.

### CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 1999.

John Elberling, Secretary







## STAFF SUMMARY OF AGENDA ITEM \\

(Rental Agreement and Grievance Procedure for John Stewart Company Housing Units)

This Agenda item seeks the approval of the form of rental agreement and grievance procedures to be utilized by the John Stewart Company in connection with the leasing of residential units at Treasure Island.

Specifically, these items are presented to the Authority in response to requests made by the Authority at the April 14, 1999 meeting that (i) the form of the Rental Agreement be changed to include the addition of unjust eviction protections and to reflect the policy in favor of limiting rent increases for occupied units, and (ii) that the John Stewart Company develop specific grievance procedures for TI Tenants and applicants.

The revised form of the Rental Agreement is attached to the Resolution as Exhibit A. As amended, it provides that, notwithstanding the inapplicability of the City's Residential Rent Stabilization and Arbitration Ordinance, at Chapter 37 of the San Francisco Administrative Code (the "Ordinance"), (i) upon the renewal or extension of any Rental Agreement with a TI Tenant (but not after any vacancy or termination), the rental rate charged such TI Tenant at initial occupancy will not be increased by an amount or at a rate greater than as would be permitted under the Ordinance, and (ii) the John Stewart Company shall not seek to evict or otherwise recover possession of a rental unit from a TI Tenant unless such action is "for cause" (based on the definitions of for cause evictions under the Ordinance), or because the term of the Rental Agreement has expired, or for health and safety reasons. However, the Rental Agreement also reaffirms that the John Stewart Company shall not be subject to any of the procedural or administrative requirements of the Ordinance.



The Grievance Procedure is attached to the Resolution as Exhibit B. It provides grievance procedures for both (i) rejected rental applicants and (ii) TI Tenants with complaints against the John Stewart Company. In both cases, the grieving party can send written notice of the grievance to the John Stewart Company. The grievance will then be considered jointly by an officer of the John Stewart Company and the Authority's Executive Director, or her designee. If the John Stewart Company and Authority representatives agree on a response to the grievance, that response shall stand. If they do not, the matter shall be submitted to binding arbitration. Under no circumstances will the cost of the arbitration be borne by the grieving party.



1 [Form of Residential Lease Agreement for Use by the John Stewart Company at Treasure 2 Island]

3 APPROVING A FORM OF RESIDENTIAL LEASE AGREEMENT AND GRIEVANCE

4 PROCEDURE FOR USE BY THE JOHN STEWART COMPANY IN CONNECTION WITH
5 THE LEASING OF RESIDENTIAL UNITS AT TREASURE ISLAND.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On March 17, 1999, the Authority, pursuant to resolutions adopted by the Authority and the City's Board of Supervisors, entered into a Sublease, Development, Marketing and Property Management Agreement (the "Agreement') with the John Stewart Company ("JSCO") to have up to 766 of the housing units on the Base rehabilitated, marketed and leased to residential tenants ("TI Tenants"); and



WHEREAS, At the April 14, 1999 meeting of the Authority, staff presented to the Authority for its review a form of residential lease agreement (the "Rental Agreement") to be used by JSCO in connection with the leasing of residential units on the Base to TI Tenants; and.

WHEREAS, the Authority requested certain changes to the form of the Rental Agreement, including the addition of certain unjust eviction protections and limitations on rent increases for occupied units; and,

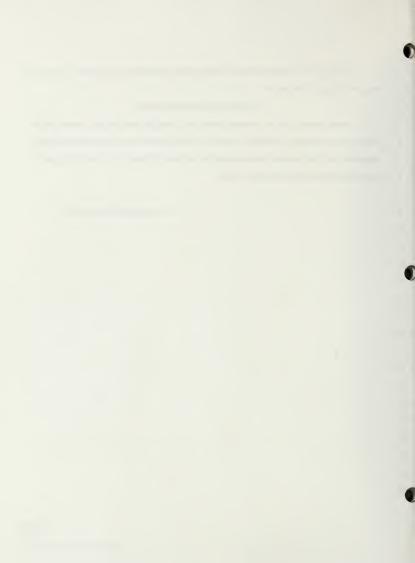
WHEREAS, The Authority also requested that JSCO develop specific grievance procedures for the benefit of TI Tenants and applicants; and

WHEREAS, The form of the Rental Agreement has been modified, as provided in <a href="Exhibit A">Exhibit A</a> attached hereto, to provide that, notwithstanding the inapplicability of the City's Residential Rent Stabilization and Arbitration Ordinance, at Chapter 37 of the San Francisco Administrative Code (the "Ordinance"), (i) upon the renewal or extension of any Rental Agreement with a TI Tenant (but not after any vacancy or termination), the rental rate charged such TI Tenant at initial occupancy will not be increased by an amount or at a rate greater than as would be permitted under the Ordinance, and (ii) JSCO shall not seek to evict or otherwise recover possession of a rental unit from a TI Tenant unless such action is (1) "for cause", as further described in the Rental Agreement, (2) because the term of the Rental Agreement has expired, or (3) for health and safety reasons, provided, however, that JSCO shall not be subject to any of the procedural or administrative requirements of the Ordinance; and

WHEREAS, JSCO has developed a grievance procedure related to both the rejection of rental applications and the complaints of TI Tenants, a copy of which is attached hereto as Exhibit B (the "Grievance Procedure"); Now therefore, be it



RESOLVED, That the Authority hereby approves the Rental Agreement, as amended, and the Grievance Procedure. CERTIFICATE OF SECRETARY I hereby certify that I am the duly elected and acting Secretary of the Treasure Island 5 Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 12, 1999. 9 John Elberling, Secretary 11 12 13 14 15 17 18 19



## Exhibit A

Amended Rental Agreement



PARTIES:

## TREASURE ISLAND YERBA BUENA ISLAND

## RESIDENTIAL LEASE

	THIS AGREEMENT is made on the day of, 19 between (hereinafter called "Lessee"), and The John Stewart Company (hereinafter called "Lessor").
	IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:
11.	DESCRIPTION:
	The Lessor hereby leases to the Lessee and Lessee hires from Lessor, on the terms and conditions hereinafter set forth, all the property situated in the County of San Francisco, State of California, described as follows, to wit: Apartment No
III.	TERM:
	The term of the lease shall be for one year, beginning 19, payable @ \$ per month. At expiration of lease term, this lease will not automatically renew.
	Lessee hereby acknowledges that the Lessor is a sublessee of the Treasure Island Development Authority and that the Treasure Island Development Authority acquired a leasehold interest to the Premises from the United States Navy under a master lease which pre-dates this lease agreement. Lessee further acknowledges that the residential use of the premises is an interim use and that the tenancy created under this lease shall not be permanent. Although Lessor has entered into a seven (7) year sublease with the Treasure Island Development Authority commencing on or about March 1999, nonetheless, Lessee's right to occupy the Premises will be subject to termination under any of the following circumstances: (i) the Authority's master lease with the Navy terminates. (ii) after the expiration of the Initial Term of this Lease, upon

thirty-days prior written notice to Lessee from Lessor for any reason, including the implementation of redevelopment plans by the Authority for the Base. For these reasons, Lessee acknowledges that it may not be entitled to continue to occupy the

Premises beyond the initial one year term of this Lease.



All of said rent shall be paid at the office of the agent of the Lessor, or at such other place as may be designated by the Lessor. All rent is to be paid on the first day of the month for the prospective rental period.

## IV. RENTS, LATE CHARGES, RETURNED CHECKS:

All rents are due and payable on or before the first day of each month. All rents shall be paid by check or money order. No cash is to be accepted. All rents not paid by the seventh (7th) day of the month incur a late charge of \$50.00 Returned checks will incur a charge of \$50.00 in addition to the late charge. If the 7th of the month falls on a weekend or holiday, the grace period will extend to include the next regular working day. If a rental check is returned by the bank, payment of rent by money order or cashier's check is required from residents for a one year period.

## V. ASSIGNMENT:

The Lessee shall pay the Lessor said rent in the manner hereinbefore specified, and shall not let or sublet the whole or any part of said premises, nor sell or assign this lease, either voluntarily or by operation of law, nor allow said property to be occupied by anyone contrary to the terms hereof, without the written consent of the Lessor.

## VI. DEFAULT:

Should said rent not be paid when due or should the Lessee default in any of the covenants or conditions contained herein, or if the conduct of Lessee or occupants shall be objectionable in the reasonable opinion of the Lessor, the Lessor or his representative may elect to terminate this lease.

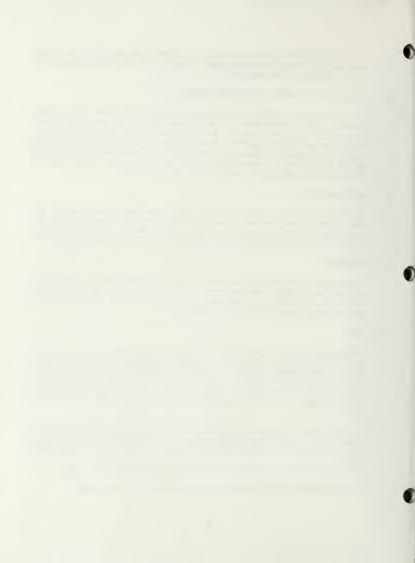
#### VII. USE:

The Lessee shall occupy said demised premises and shall keep the same in good condition including such improvements as may be made thereon hereafter, the usual wear and tear excepted, and shall not make any alterations thereon without the written consent of the Lessor and shall not commit or suffer to be committed any waste upon such premises. Lessee agrees to pay for any damage, including appliances and fixtures, caused by any act of negligence of himself or any member of his family or quest.

The premises are leased to the Lessee for the purpose of a residential dwelling. Lessee shall not use, or permit said premises, or any part thereof, to be used for any purpose or purposes other than the purpose for which the said premises are hereby leased.

Maximum occupancy of said premises is limited to those named on the lease.

All governmental laws and ordinances shall be complied with by the Lessee.



## VIII. TENANT/LANDLORD:

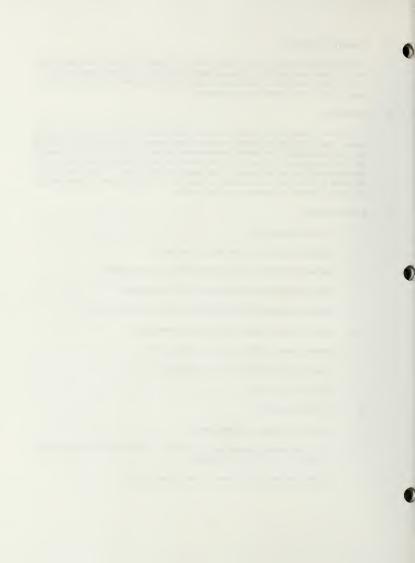
The Lessee hereby agrees to be bound, as is the landlord, by the amended sections to the Civil Code Sections 1942. These amendments being: Civil Code Sections 1941.1, 1941.2, 1942.1 and 1942.5, which state, among other things, the conditions for making repairs and deducting same from rents owed.

#### IX. NUISANCE:

The Lessee agrees not to engage in any activities which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, or interfere with the management of the project. Vestibules, hallways, stainways, and other public passages shall not be obstructed by the Lessee or their guests. Persons will not be permitted to run or play on baiconies or stainways. Lessee agrees to place garbage and refuse inside the containers provided therefore.

#### X. MAINTENANCE:

- A. The Landlord agrees to:
  - 1. Regularly clean all common areas of the project;
  - Maintain the common areas and facilities in a safe condition;
  - 3. Arrange for collection and removal of trash and garbage;
  - 4. Maintain all equipment and appliances in safe and working order;
  - Make necessary repairs with reasonable promptness;
  - 6. Maintain exterior lighting in good working order;
  - 7. Provide extermination services as necessary;
  - 8. Maintain the grounds.
- B. The Lessee agrees to:
  - Keep the unit clean, safe and sanitary;
  - Use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
  - 3. Not litter the grounds or common areas of the project;



- Not destroy, deface, damage or remove any part of the unit, common areas or project grounds;
- Give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment, the smoke detector, or any other part of the unit or related facilities;
- Remove garbage and other waste from the unit in a clean and safe manner;
- Not engage in or permit unlawful activities in the unit, in the common areas or on the project grounds.

## XI. NOTICES:

The Lessee will at all times cooperate with any reasonable House Rules which Lessor has, or may from time to time, furnish Lessee or post conspicuously on Lessor's premises. The Lessee by affixing his signature below acknowledges the receipt of a copy of the House Rules.

## XII. HOLD HARMLESS:

Lessee hereby waives all claims against Lessor for damages to property or injuries to persons, including Lessee, in or about said premises; and Lessee will hold Lessor harmless from any damage or injury to persons or property arising from the use of premises by Lessee.

#### XIII. LEGAL FEES:

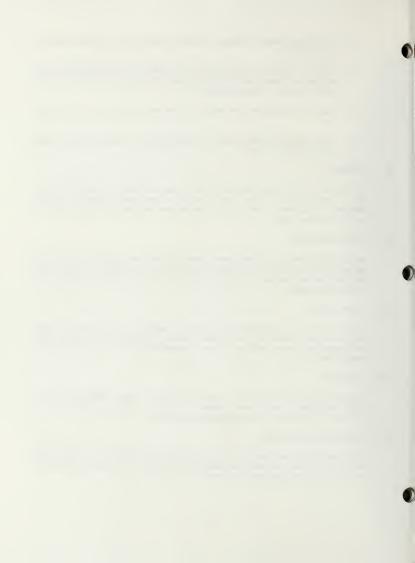
Should the Lessor be compelled to commence or sustain an action at law to collect said rent, or parts thereof, or for an unlawful detainer, or because of any other breach of this lease, the Lessee shall pay to Lessor a reasonable attorney's fee which shall be fixed by the Court.

### XIV. WAIVERS:

The waiver by the Lessor of any covenant or condition herein contained shall not vitiate the same or any other covenant or condition contained herein and the successors, and assigns of the respective parties hereto.

#### XV. SURRENDER CONDITION:

At the expiration of said term, or the sooner determination thereof, the Lessee shall peacefully quit and surrender possession of said premises in as good condition as reasonable use and wear thereof will permit.



#### XVI. DEPOSIT FEES:

Lessee agrees to deposit with the Lessor, on or before occupancy, the sum of \$5\_\_\_\_\_ as security deposit. This sum shall be held by the Lessor as security for the faithful performance by Lessee of the terms, covenants and conditions of this lease by Lessee to be kept and performed during the term hereof. In the event of the failure of Lessee to keep and perform all of the terms, covenants, and conditions of this lease, then, at the option of the Lessor, said Lessor may appropriate and apply said deposit, or so much thereof as may be necessary, to compensate Lessor for loss or damage sustained or suffered by Lessor due to such breach on the part of Lessee. Should Lessee comply with all of said terms, covenants, and conditions and promptly pay all of the rental herein provided for as it falls due, and all other sums payable by Lessee to Lessor, the said security deposit shall be returned to Lessee at the end of the occupancy in accordance with California State law. A unit is considered vacated after all personal belongings have been removed and unit keys returned. DEPOSIT MAY NOT BE USED AS LAST MONTH'S RENT.

## XVII. LEGAL NOTICE:

All notices to be given to Lessee must be given in writing personally or by depositing same in the United States mail, postage prepaid, and addressed to Lessee at the said premises, whether or not Lessee has departed from, vacated, or abandoned said premises.

#### XVIII. INSPECTION:

The Lessor, its agent and/or employees may enter said premises at reasonable times to inspect, clean, repair, or show the premises to prospective tenants, purchasers or lending institutions. The Lessee agrees to allow access and occupancy to workmen for redecorating, repairing or remodeling of the premises for such time as is necessary. Additional door locks may not be installed or altered without written permission from Lessor. Lessor will provide 24 hours notice of intent to enter unit except in emergency, when Lessor may enter immediately. Lessor is to leave notice to Lessee that Lessor entered the unit.

Landlord's agent shall make an annual inspection of all project facilities and units. Agent shall designate a day or days when such inspection shall be made and so notify the resident at least five days prior thereto.

#### XIX. NOTICE TO VACATE:

A thirty (30) day written notice of the Lessee's intention to vacate the premises must be given to the Lessor. Any deposits that the Lessee may have on deposit with the Lessor are not to be considered the Last Month's rent. Refunds of security deposits will be made by Lessor after the premises are vacated. Lessor may terminate this lease if any local, state or federal agency orders the vacancy of the premises for health or safety reasons.



#### XX. UTILITIES:

Lessor will provide for utilities including water, sewer, electricity, gas, and garbage removal.

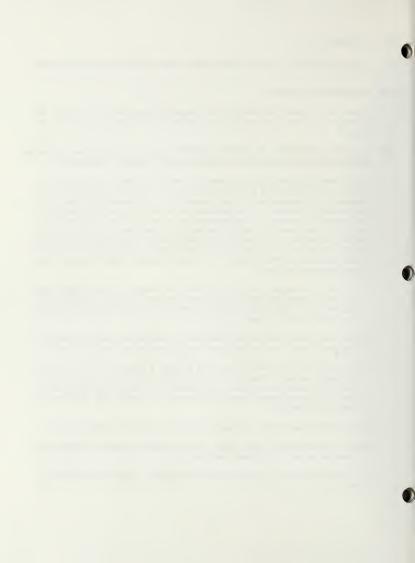
#### XXI. HAZARDOUS MATERIALS:

Lessor will not allow the storage of any hazardous materials on or around the premises and will not cause hazardous materials to be released anywhere on the property.

XXII. ACKNOWLEDGEMENT OF INAPPLICABILITY OF the San Francisco Residential Rent Stabilization and Arbitration Ordinance (No. 276-79)(the "Ordinance"):

Lessee hereby acknowledges and agrees that, because the rents for housing units on Treasure Island and Yerba Buena Island are set by a governmental authority, the Treasure Island Development Authority, housing units on Treasure Island and Yerba Buena Island are exempt from the provisions of the San Francisco Rent Stabilization and Arbitration Ordinance. Notwithstanding the foregoing, (I) upon the renewal or extension of this Lease (but not after any vacancy or termination), the Rent noted in Section III above will not be increased by an amount or at a rate greater than as would be permitted under the Ordinance, and (ii) Lessor shall not seek to evict or otherwise recover possession of the Premises from Lessee unless such action is based on one of the reasons set forth below:

- (1) The tenant has failed to pay the rent to which the landlord is lawfully entitled under the oral or written agreement between the tenant and landlord or habitually pays the rent late or gives checks which are frequently returned because there are insufficient funds in the checking account; or
- (2) The tenant has violated a lawful obligation or covenant of tenancy and failed to cure such violation after having received written notice thereof from the landlord; or
- (3) The tenant is committing or permitting to exist a nuisance in, or is causing substantial damage to, the rental unit, or is creating a substantial interference with the comfort, safety or enjoyment of the landlord or tenants in the building, and the nature of such nuisance, damage or interference is specifically stated by the landlord in the writing;
- (4) The tenant is using or permitting a rental unit to be used for any illegal purpose; or
- (5) The tenant has after written notice to cease, refused the landlord access to the rental unit as required by state or local law; or
- (6) A subtenant or other person not approved by landlord is occupying the rental unit; or



XXIII. AUTHORIZED OCCUPANTS

- (7) The term of the lease has expired; or
- (8) The reasons set forth in Section III of this lease.

This provision is not intended to impose, nor shall it be construed as requiring, compliance with any of the procedural or administrative requirements of the Ordinance, including, but not limited to the requirements of Sections 37.1(a)(3), (5),(11),(12) and (14) of the Ordinance. Tenant further acknowledges and agrees that nothing herein shall impose the jurisdiction of the Ordinance on this Lease, nor is it intended to imply that any rules, policies or precedents of the Ordinance apply to this Lease.

Name	Name
Name	Name

Name Name



# Exhibit B

# Grievance Procedures



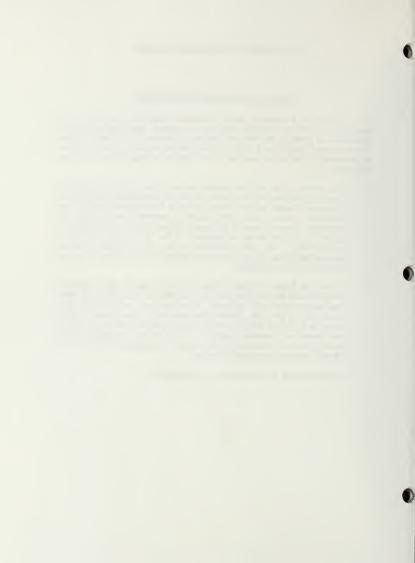
## VILLAGES AT TREASURE ISLAND

## APPLICANT GRIEVANCE PROCEDURE

If an applicant for a residential lease at Treasure Island feels that he/she has been wrongfully denied residency, they have 14 calendar days from the notice of denial to file a written appeal with the Villages at Treasure Island business office. The manager of that office, a John Stewart Company employee, has the option of reconsidering the original rejection or sustaining the original denial. If it is the latter, then:

- The written appeal will be reviewed by an officer of the John Stewart Company who was not involved in the original determination, and by the Executive Director of the Treasure Island Development Authority or designee. Such review may include a personal meeting with the applicant, who may bring a third-party representative to the meeting if agreed to by the parties in advance. If the John Stewart Company representative and the Treasure Island Development Authority representative both concur that the denial should be sustained, then the grievance will be concluded.
- 2) If the John Stewart Company officer and the Treasure Island Authority representative do not concur on the disposition of the grievance, then, final determination will be made by a third-party arbitrator mutually acceptable to the John Stewart Company and to the Treasure Island Authority Executive Director. Such arbitrator will be experienced in both real estate and personnel matters and will render a decision within 5 working days of presentation of the case to the arbitrator's office. The decision of the arbitrator will be binding.

Arbitration costs will not be borne by the applicant.



## VILLAGES AT TREASURE ISLAND

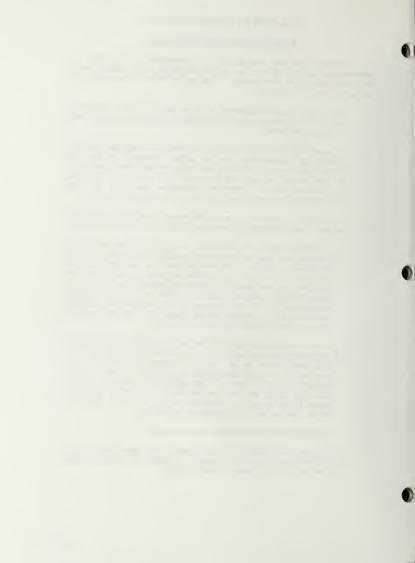
## RESIDENT GRIEVANCE PROCEDURE

If a resident feels any representative of management has acted in a discriminatory or unfair manner, an informal discussion of the incident should occur with the on-Site Administrator. If this fails to resolve the grievance, the following steps should be taken:

- Mail or give a written explanation to the on-Site Administrator, stating the complaint, the specific time(s) of incident(s) prompting the complaint, and the desired resolution.
- 2. If a satisfactory resolution is not reached within 10 working days following mailing (or hand-delivery) of the written complaint to the Site Administrator, a copy of that complaint will be directed to the Supervisor at the John Stewart Company who is responsible for overseeing the Villages at Treasure Island. Additional information, such as the Site Administrator's response should accompany this complaint in writing.
- If a satisfactory resolution is not reached within 10 working days following mailing (or hand-delivery) of the written complaint to the Supervisor, then:
  - A. The written appeal will be reviewed by an officer of the John Stewart Company who was not involved in the original determination, and by the Executive Director of the Treasure Island Development Authority or designee. Such review may include a personal meeting with the applicant, who may bring a third-party representative to the meeting if agreed to by the parties in advance. If the John Stewart Company representative and the Treasure Island Development Authority representative both concur that the Supervisor's position should be sustained, then the grievance will be concluded.
  - B. If the John Stewart Company officer and the Treasure Island Authority representative do not concur on the disposition of the grievance, then, final determination will be made by a third-party arbitrator mutually acceptable to the John Stewart Company and to the Treasure Island Authority Executive Director. Such arbitrator will be experienced in both real estate and personnel matters and will render a decision within 5 working days of presentation of the case to the arbitrator's office. The decision of the arbitrator will be binding.

Arbitration costs will not be borne by the resident.

This grievance procedure is subordinate to any just cause eviction procedure which may be instituted or in process in accordance with Section XXII of the Residential Lease Agreement.







## CITY AND COUNTY OF SAN FRANCISCO



LOUISE H. RENNE City Attorney

# OFFICE OF THE CITY ATTORNEY

VILLIAM CHAN

DIRECT DIAL 4181 554-4691

## MEMORANDUM

TO: MEMBERS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY

THRU: MICHAEL COHEN

Deputy City Attorney

FROM: WILLIAM CHAN Will Ch

Deputy City Attorney

DATE: May 5, 1999

RE: Summary of the Refuse Collection Invitation For Bid (IFB) for Treasure

Island and Yerba Buena Island (TI-YBI)

The following is a background and a summary of the refuse collection IFB for TI-YBI that is submitted to the Authority for its consideration.

#### BACKGROUND

Between 1941 and 1997, TI-YBI were used primarily for United States Naval and Coast Guard operation. At that time, the United States Navy and Coast Guard contracted with refuse haulers for the collection of refuse in areas that were under their jurisdictions. In September of 1997, the Unites States Navy ceased its operations at TI-YBI and conveyed the administration of the area vacated by the Federal Government to the Authority. The Authority assumed primary management responsibility for TI-YBI and is responsible for overseeing the conversion of TI-YBI for public and civilian use.

The refuse collection contract awarded by the United States Navy terminated on October 1, 1997. As a result, there are, currently, no contracts for the collection of refuse at areas yearded by the Eederal Government on TL-YBI.

With the redevelopment of TI-YBI, it is anticipated that approximately one thousand housing units will be re-occupied by the residents of San Francisco. The repopulation of TI-YBI will generate a significant amount of refuse. To protect the public health and safety of residents on TI-YBI, the Authority must ensure that the refuse generated will be collected and disposed in a consistent and professional manner. This Invitation For Bid will allow the Authority to enter into a refure collection contract to ensure that refuse generated by the inhabitants of TI-YBI will be collected and disposed in a manner that is consistent with the goals of protecting the public health and the environment.



TO: MEMBERS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY

DATE: May 5, 1999

PAGE: 2

RE: Summary of the Refuse Collection Invitation For Bid (IFB) for Treasure

Island and Yerba Buena Island (TI-YBI)

#### SUMMARY

## Underlying Assumption

The estimated annual volume of refuse that requires collection is projected to be 30,000 cubic yards per annum (ballpark figure).

#### Bid Evaluation

The bid will be evaluated based on the bid price quoted by the bidder for the collection of one (1) cubic yard of refuse. The contract will be awarded to the bidder with the lowest bid price who also satisfies all other requirements of the bid. The quoted price shall be the basis for the rate that the contractor will charge for collecting refuse at TI-YBI. Thus, the rate for the collection of forty (40) cubic yards of refuse will be forty (40) times the bid price.

#### LIDBE

Bidders who are locally owned business enterprises are given a five percent (5%) bonus in the bid price. Bidders in a joint venture with disadvantage business enterprises (DBEs) are given a five (5) to ten percent (10%) bonus in the bid price based on the level of participation of the DBEs in the joint venture.

#### Estimated Value of the Contract

The estimated value of the contract is the bid price times 30,000 cubic vard.

## Contract Manager

The Executive Director for the Mayor's Treasure Island Project Office or her or his designee will manage contract for the Authority.

#### Award

The bid will be awarded within five (5) days after the approval of the lowest bid by the Authority. The successful bidder must execute the contract and provide the necessary bonds, certificates, permits and licenses within ten (10) days of the award. If the successful bidder fails or refuses to execute the contract, the Executive Director may declare the bidder's bid deposit/bond forfeited and award the bid to the next lowest bidder, reject all bids and call for new bids, or abandon the bid.



TO: MEMBERS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY

DATE: May 5, 1999

PAGE: 3

RE: Summary of the Refuse Collection Invitation For Bid (IFB) for Treasure

Island and Yerba Buena Island (TI-YBI)

#### Terms

## Scope

The contract is for the collection and removal of refuse generated in facilities at TI-YBI that are under the jurisdiction of the Authority and City's facilities. The contract will not cover refuse collection at the San Francisco Unified School District's facility on Treasure Island, the Coast Guard facility on Yerba Buena Island or the Department of Labor – Job Corp facilities. Refuse as defined by this contract includes all waste and discarded materials except for waste paper and construction and demolition debris. Thus waste paper and construction & demolition debris are outside the scope of this contract. Materials that are sold or donated to a third party are not within the scope of this contract. Hence, owners of recyclable materials, such as empty bottles, may sell or donate these materials to any other third party.

#### Duration

The contract is for one (1) year with up to a maximum of two renewals for one (1) additional year per renewal. Thus, the maximum contract length is three (3) years. The Authority's unconditional right to renewal must be exercised sixty (60) days before the expiration of the contract.

## Rate Adjustment for Refuse Collection During Renewal

The maximum rate that the contractor may charge during the renewal period for refuse collection is based on the percentage change in the Consumer Price Index between the current and previous year. Any rate adjustment is capped at five percent (5%). The contractor must request a rate adjustment within 30 days after the Authority provided the contractor with a notice of intent to renew the contract.

# Service Requested

Under the contract, the contractor is obligated to provide appropriate amount/size of refuse containers, to maintain the containers provided, and to collect and dispose of refuse generaled in facilities under the Authority's jurisdiction and City facilities. Refuse will be collected Monday through Saturday. Refuse collection from pickup sites near residential units is prohibited between the hours of 7:00 p.m. and 5:00 a.m. Collection will be performed in compliance with the City's noise control regulation.

The contractor is required to collect refuse that is subject to putrefaction (rot) at least once a week. Other refuse (i.e.: materials that will not rot) may be picked up once a month. However, contractor cannot allow the accumulation of more than 40 cubic yards of refuse at any pickup site for more than one week.



TO: MEMBERS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY

DATE: May 5, 1999

PAGE: 4

RE: Summary of the Refuse Collection Invitation For Bid (IFB) for Treasure

Island and Yerba Buena Island (TI-YBI)

The contractor is required to have an acceptable waste acceptance control program so as to prevent the collection and disposal of hazardous waste, Hazardous Waste; Designated Waste; Medical Waste; or Sewage Sludge.

Any maintenance service for the refuse containers, except for deodorization of the container, will be performed off-site, provided that the contractor furnishes replacement containers before removing any refuse container for servicing.

Collection service provided by the contractor will be performed in a professional and courteous manner.

## Requirements

#### Disnosa

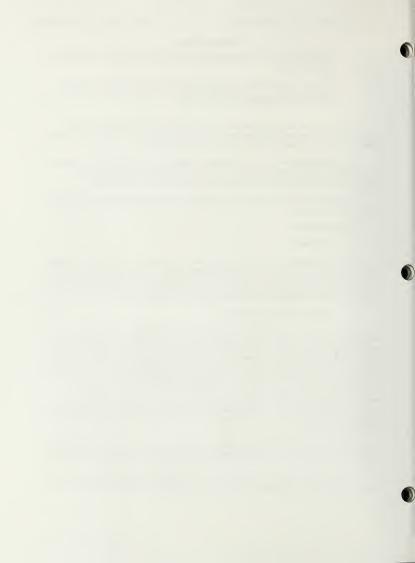
The contract will require the refuse collected be delivered to the transfer station operated by Sanitary Fill for disposal at Altamont Landfill. However, refuse containing recyclable materials may be processed elsewhere to separate the recyclable materials from the refuse. The separated refuse must be delivered to the transfer station operated by the Sanitary Fill Company for disposal at Altamont Landfill.

## Diversion Requirements

The contractor is required to divert at least thirty-five (35%) of the refuse collected from landfill disposal. This minimum diversion requirement is increased five percent (5%) for each renewal period. Thus, at the last renewal period, the contractor will be required to divert 45% of the refuse collected from landfill disposal. If contractor fails to meet the minimum diversion requirement, contractor agrees to pay liquidated damage in the amount of \$500 per percentage point below the minimum requirements. The contractor is given a three (3) percentage point credit towards the diversion requirement if it implements source reduction program(s) to reduce the amount of refuse generated on TI-YBI. The contractor may receive more credit for source reduction program(s) if it can demonstrate to the satisfaction of the Executive Director that the program(s) are achieving greater than three percent (3%) reduction in the generation of refuse.

Ninety (90) days before the expiration of the contract period, the contractor shall submit to the Authority a report documenting the percentage of refuse collected that is recycled and any source reduction program implemented by the contractor.

The contractor's right to collect source separated recyclable materials is subject to the Treasure Island Homeless Development Initiative's right of first refusal.



TO: MEMBERS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY

DATE: May 5, 1999

PAGE: 5

RE: Summary of the Refuse Collection Invitation For Bid (IFB) for Treasure

Island and Yerba Buena Island (TI-YBI)

## Permit and License

The contractor is contractually obligated to obtain a refuse collection permit and refuse vehicle license from the Department of Public Health. The contractor is also required to obtain other permits and licenses mandated by law.

## Legal Compliance

The contractor is required to comply with all applicable federal and state laws regulating solid waste handling.

## **Bonding Requirements**

Each bidder must submit to the Authority a bid bond that is equal to 10% of the estimated value of the contract. Thus the amount is 0.1 times the bid price, times the estimate annual volume of refuse generated at TI-YBI (30,000 cubic yards).

The winning bidder (contractor) must submit a performance bond that is equal to the value of the contract (i.e.: the bid price times the estimate annual volume of refuse generated at TI-YBI (30,000 cubic yards)). The amount of the performance bond may be increased to reflect the increase in the value of the contract caused by an increase in rate and/or level of service required.

# Record keeping/Inspection Requirements

The contractor must maintain books and records in accordance with Generally Accepted Accounting Principles, and the Authority reserves the right to inspect contractor's books and records. The Authority must provide reasonable notice to the contractor before inspecting the books and records. Information obtained will be held by the Authority as confidential information when applicable.

# **Emergency Situations**

In the event of a natural disaster or labor strike which hinders the contractor's ability to collect refuse on TI-YBI, the Authority reserves the right to suspend the contract for the duration of the emergency until the contractor can demonstrate to the satisfaction of the Authority that it can resume the level of refuse collection service required. The Authority reserves the right to terminate the contract if the contractor fails to demonstrate to the satisfaction of the Authority that it can resume providing the level of service needed within a six (6) month period.



TO: MEMBERS OF THE TREASURE ISLAND DEVELOPMENT AUTHORITY

DATE: May 5, 1999

PAGE: 6

RE: Summary of the Refuse Collection Invitation For Bid (IFB) for Treasure

Island and Yerba Buena Island (TI-YBI)

The contractor will indemnify, defend, and hold harmless the Authority for any claim that arises out of and/or relates to the subject matter of the contract, including but not limited to environmental damage claims, tort claims and worker compensation claims. The contractor's obligation to indemnify the Authority survives the termination of the contract.

The contractor must provide liability and worker compensation insurance policies that name the Authority as an additional insured.

## City Contracting Requirements

Through the bid, the Authority would require the contractor to abide by the City's policy on non-discrimination, equal benefits ... etc. The contractor must abide with the City's prevailing wage ordinance.

## Miscellaneous Contract Terms

## Assignment

The contractor may not assign the contract unless the Authority provides prior written consent to the assignment. The Authority may not unreasonably withhold consent. Any involuntary assignment (i.e.: when contractor becomes insolvent; writ of execution levied on the contract, receiver appointed for contractor with the power to materially effect the contractor's ability to perform, probate proceedings) of the contract may result in the termination of the contract by the Authority. The Authority may unconditionally assign this contract to another public entity after a public hearing.

# Attorney's Fees

In the event of litigation, the prevailing party is entitled to attorney's fees.

#### Waiver/Modification

Waiver and Modification are only effective when they are in writing. The contract shall not be modified during the first year of the contract.

# Severability and Integration

The contract is severable and is fully and completely integrated.

If you have any questions regarding the IFB, please call me at the above number.



[Request for Bids for Refuse Collection Services at Treasure Island]

AUTHORIZING THE ISSUANCE OF AN INVITATION FOR BIDS FOR THE PROVISION OF

INTERIM REFUSE COLLECTION SERVICES ON FORMER NAVAL STATION TREASURE

ISLAND

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WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administrate the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors (the "Board of Directors"), has the power, subject to applicable laws, to enter into agreements or contracts for the procurement of goods and services related to the activities and purpose of the Authority; and

WHEREAS, Pursuant to the Rules and Procedures for the Purchase of Goods and Services previously approved by the Authority on March 11, 1998, the procurement of goods and highly standardized services that can be described and performed with reference to



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detailed specifications, such as the refuse collection services described herein, are to be made pursuant to a competitive bid process; and

WHEREAS, The contract for the provision of refuse collection awarded by the United States Navy expired on October 1, 1997; and

WHEREAS, There are no existing contracts with contractors to collect refuse at the Base; and

WHEREAS, The expected redevelopment of the Base will generated significant amount of refuse; and

WHEREAS, The Authority needs to ensure that refuse is collected in a consistent manner to protect the public health and safety of the inhabitants of the Base; now, therefore, be it

RESOLVED, That the Authority hereby authorizes the issuance of an Invitation For Bids, in substantially the form of the IFB attached hereto as <a href="Exhibit A">Exhibit A</a>, to solicit interim refuse collection service for the Base; and be it

FURTHER RESOLVED, That the final contract for the provision of such interim refuse collection service shall be subject to the separate approval of the Authority.



## CERTIFICATION OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island
Development Authority, a California nonprofit public benefit corporation, and that the above
Resolution was duly adopted and approved by the Board of Directors of the Authority at a
properly noticed meeting on May 12, 1999.

John Elberling, Secretary







## REFUSE COLLECTION SERVICE CONTRACT PROPOSAL

Treas Mayo	sure Island Development Authority r's Office Treasure Island Project Office	Bid no
BIDS	WILL BE OPENED AT 2:00 P.M.	
At:	Mayor's Office Treasure Island Project O 410 Avenue of Palms Treasure Island San Francisco, CA 94130 Phone: 415-274-0660 Fax: 415-274-0299	ffice
envel		e Director, prior to the opening time, in a sealed tract Proposal number and commodity inscribed thereon. a duplicate copy for your files.
agree stated	s to furnish all services within the dates spe	ct Acceptance, the undersigned hereby promises and ciffed, in the manner and form and at the price herein the Invitation For Bid, all which are made a part of the zed by the Treasure Island Development Authority.
Name	under which business is conducted	
Busin	ess Street Address	
	City State	Zip Code
Telepi	hone ()	
IF SO	LE OWNER, sign here: I sign as sole owner of the business name	ed above:
		ers in the business named above and we sign this rity to do so (one or more partners will sign)
author	RPORATION, execute here: The undersigned certify that they sign this rization to do so: rate Name	Refuse Collection Service Contract with full and proper
Signe	d	Title
Signe	d	Title
Incorp	orated under the laws of the State of	



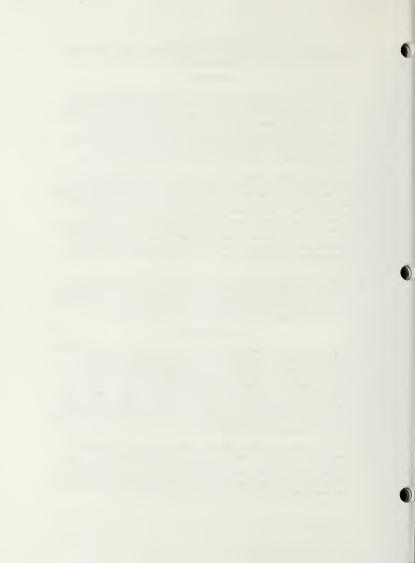
# INVITATION FOR BID REFUSE COLLECTION SERVICE AT TREASURE ISLAND AND YERBA BUENA ISLAND

## PREAMBLE

- 1. On May 2, 1997, the Board of Supervisors of the City and County of San Francisco (City) passed Resolution No. 244-97-003, authorizing the Mayor's Treasure Island Project Office (Project Office) to establish a non-profit public benefit corporation known as the Treasure Island Development Authority (Authority). The purpose of the Authority is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse, and conversion of the former Naval Station Treasure Island (Base) for the public interest, convenience, welfare and common benefit of the inhabitants of the City.
- 2. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health & Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as a redevelopment authority under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the power to administer the public trust for commerce, navigation, and fisheries as to such property. The Board of Supervisors approved the designation of the Authority as a redevelopment authority with powers over Treasure Island by Resolution 43-8, dated February 6, 1998.
- 3. Under the Treasure Island Conversion Act of 1997 and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to approve and enter into agreements or contracts affecting the Base, including without limitation, contracts for the procurement of goods and services.

## BACKGROUND

- 4. Treasure Island and Yerba Buena Island (TI-YBI or the Islands) are centrally located within the San Francisco Bay and lie entirely within the exterior boundaries of the City. Connected by a causeway, the two Islands are extremely different from each other in origin and character. Yerba Buena Island is a natural rocky outcrop of approximately 150 acres. Its terrain is steeply sloped and highly vegetated with elevation between sea level and over 300 feet above sea level. By contrast, Treasure Island is a 403-acre flat and low-lying rectangular piece of filled land. The Islands are accessible by way of the Bay Bridge, which crosses Yerba Buena Island. A series of ramps from the bridge provides access to TI-YBI.
- 5. Between 1941 and 1997, TI-YBI were used primarily for U.S. Naval and Coast Guard operations. However, the Naval operations ceased in September 1997, and the Federal Government conveyed the administration of portions of TI-YBI that it had vacated to the Authority. The Authority assumed primary management responsibility for TI-YBI and is responsible for overseeing the conversion of TI-YBI for public and civilian use.



- 6. Currently, there are a number of interim operations on TI-YBI under the Authority's jurisdiction. These operations include Authority's administrative offices, film production studios, a marina, an open-air Sunday flea market, and certain San Francisco City facilities (e.g.: a fire training academy and police academy). TI-YBI also serve as a venue for private and public functions and gatherings.
- 7. It is anticipated that within the near term, activities on TI-YBI will increase substantially to include new establishments and expansion of existing establishments. In addition, plans are currently underway to re-populate the existing housing on the Base. Approximately 766 of the unit will be market-rate housing. Two hundred and twenty-two (222) units are reserved for homeless or economically disadvantaged San Franciscans. The first fifty (50) units are projected to be available in the Spring of 1999. The plan calls for the availability of between forty (40) and sixty (60) new units each month.
- 8. In addition to the increase in residential units, the Authority expects the establishment of commercial operations such as a café, grocery stores, a 400-slip marina and other commercial enterprises. The San Francisco Sheriff's Department is expected to operate a detention facility on Treasure Island

## STATEMENT OF POLICY

9. All purchasing transactions (purchasing of supplies, equipment, and services), regardless of whether they are by sealed bids or by negotiation and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition consistent with the Treasure Island Development Authority Purchasing Policy and Procedures. Purchasing procedures shall not restrict or eliminate competition.

#### CONFLICT OF INTEREST

10. The Authority's officers, employees, Directors, and agents shall follow all applicable financial disclosure and disqualification/Conflict of Interest provisions of the State Political Reform Act, Government Code § 1090 and any other applicable law or regulation. No employee, officer, Director or agent of the Authority shall participate in the selection or in the award or administration of an Authority contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer, Director or agent, or any member of his or her immediate family, or those with whom any of the above referenced persons has, or intends to have, a business or employment relationship, has a financial or other interest in the firm selected for award or whose contract is to be administered.

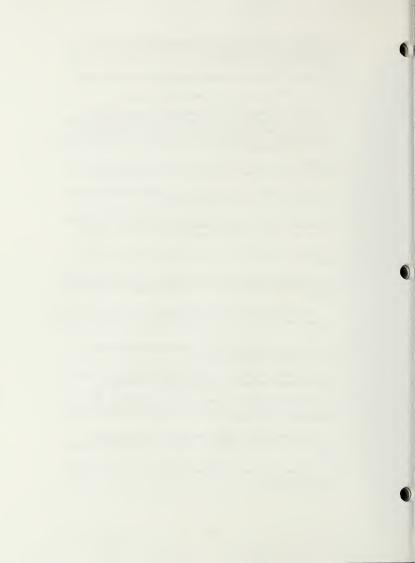
#### DEFINITIONS

- 11. For the purpose of this Invitation for Bid (IFB or Bid), the following terms shall apply.
  - 11.1. "Act" shall mean the Integrated Waste Management Act of 1989 (Cal. Pub. Res. Code § 40000 et. seq.) and all rules and regulations adopted thereunder, as they may be amended from time to time.

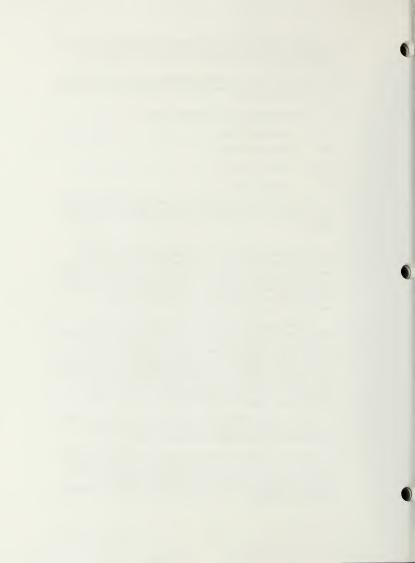
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- 11.2. "Assign" or "Assignment" shall include any dissolution, merger, consolidation, or other reorganization of Contractor that results in the change of control of Contractor.
- 11.3. "Authority" shall mean the Treasure Island Development Authority.
- 11.4. "City" shall mean the City and County of San Francisco.
- 11.5. "Compost" shall mean the product resulting from the controlled biological decomposition of organic wastes that are source separated from the municipal Solid Waste stream, or which are separated at a centralized facility. Compost includes vegetable, yard and wood wastes, which are not Hazardous Waste.
- 11.6. "Contract" shall mean an agreement between the Contractor and the Authority made pursuant to this Bid with terms specified herein.
- 11.7. "Contractor" shall mean the bidder who is awarded the Contract and who enters into the Contract with the Authority.
- 11.8. "Discarded Material" shall mean any material that is collected by the Contractor for a fee. Discarded Material, as used herein, shall not include material that is sold or donated by the owner of the material.
- 11.9. "Department" shall mean the San Francisco Department of Public Health.
- 11.10. "Designated Waste" shall mean waste as defined in Section 2522 of Title 23 of the California Code of Regulations, as amended from time to time.
- 11.11. "Disposal" shall mean the final deposition of Solid Waste onto land. Disposal shall not include any activity that deposits Composted materials onto land.
- 11.12. "Diversion" shall mean activities that reduce or eliminate the amount of Solid Waste from Disposal.
- 11.13. "Executive Director" shall mean the Executive Director for the Mayor's Treasure Island Project Office or her or his designee.
- 11.14. "Hazardous Waste" shall mean waste as defined in Sections 25115, 25140, and 25141 of the California Health and Safety Code, as amended from time to time.
- 11.15. "Initiative Ordinance" shall mean the San Francisco Refuse Disposal and Collection Ordinance of 1932, as amended from time to time.
- 11.16. "License" shall mean the Refuse vehicle license as defined by the Initiative Ordinance.



- 11.17. "Medical Waste" shall mean waste that is regulated pursuant to the Medical Waste Management Act, California Health & Safety Code § 117600 et. seq.
- 11.18. "Permit" shall mean the Refuse collection permit issued pursuant to the Department's Refuse Collection Permit Regulation -- Treasure Island and Yerha Ruena Island
- 11.19. "Prohibited Waste" shall mean Refuse that is:
  - 11.19.1. Hazardous Waste:
  - 11.19.2. Designated Waste;
  - 11.19.3. Medical Waste: or
  - 11.19.4. Sewage Sludge:
- 11.20. "Recyclable Material" shall mean any material offered for collection that is capable of being Recycled. Recyclable Material as used herein does not include material that is sold or donated by the owner of the material.
- 11.21. "Recycle" or "Recycling" shall mean the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become Solid Waste, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. Recycling includes, but is not limited to Composting. Recycling does not include inclineration, pyrolysis, distillation, qasification, or biological conversion other than Composting.
- 11.22. "Refuse" shall mean all waste and Discarded Materials from dwelling places, households, apartment houses, stores, office buildings, restaurants, hotels, institutions and all commercial establishments, including waste or discarded food, animal and vegetable matter from all kitchens thereof, waste paper, cans, glass, ashes and boxes and cutting from trees, lawns and gardens. Refuse as used herein does not include debris and waste construction materials, including, wood, brick, plaster, glass, cement, wire, and other ferrous materials, derived from the construction of or the partial or total demolition of buildings or other structures; waste paper; and Prohibited Waste.
- 11.23. "Sewer Sludge" shall mean a liquid, semisolid or solid residue that contains material removed during the treatment of wastewater discharged from domestic and non-domestic sources.
- 11.24. "Solid Waste" shall mean Refuse and all other Discarded Materials including, but not limited to, debris and waste construction materials, including, wood, brick, plaster, glass, cement, wire, and other ferrous materials, derived from the construction of or the partial or total demolition of buildings or other structures; waste paper; and chemically-fixed Sewage Sludge.



- 11.25. "Source Reduction" shall mean any action that causes a net reduction in the generation of Solid Waste. Source Reduction includes, but is not limited to, reducing the use of nonrecyclable materials, replacing disposable materials and products with reusable materials and products, reducing packaging, reducing the amount of yard waste generated, and increasing the efficiency of the use of paper, cardboard, glass, metal, plastic, and other materials. Source Reduction does not include steps taken after the material becomes Solid Waste or actions which would impact air or water resources in lieu of land (i.e.: incineration, pyrolysis, distillation, gasification, or biological conversion other than Composting).
- 11.26. "Transfer Station" shall mean the transfer station operated by the Sanitary Fill Company.
- 11.27. "Unit Volume" shall mean one (1) cubic yard.
- 11.28. "Waste Stream" shall mean the Refuse collected under this Bid from the time of its collection by the Contractor to its delivery to a transfer station and a landfill.

## PRE-BID CONFERENCE

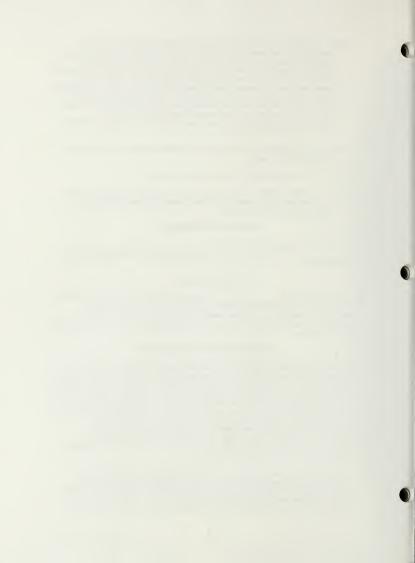
12.	A pre-Bid	conference	will be held	on			, 1999 at		at
			for	the	purpose	of	answering	question	s from
	the bidders								

## BID DUE DATE

13. Bids are due on \_\_\_\_\_\_\_, 1999 at 2:00 p.m. They will be publicly opened and read aloud, and available for review after they have been recorded by the Authority. They must be delivered in sealed envelopes, marked with the Bid title, Bid number, and Bid Date and Time. Fax copies will not be accepted.

## ITEMS REQUIRED ON BID DATE

- 14. All bids shall be accompanied by a certified check, cashier's check, or a bidder's bond in an amount of not less than ten percent (10%) of the Bid price times 30,000 (0.1 x \$dollar/cubic yd x 30,000 cubic yd) and must be payable to the Authority. In the event that bidder submits a bidder's bond, bidder shall sign, certify, and seal a bid bond as provided herein (Document No. 00410). The check or bond shall be given as a guarantee that the bidder will enter into a contract to perform all services required pursuant to this Bid and in accordance to the Bid's specifications, if awarded the contract by the Authority. The check or bond may be forfeited if the bidder refuses or neglects to enter into a contract or provide the bonds and other documents within ten (10) calendar days of the award.
- 15. All bidders must submit copies of all permits and licenses required to perform the work requested herein. A copy of the Notice of Completed Application issued by the Department will be acceptable in lieu of the actual Permit. Bidders are notified that the Department has indicated that it may take upwards of two (2) weeks from the submission of a Refuse collection



- Permit application to secure a Notice of Completed Application. A letter from the Department indicating that it is prepared to issue License(s) to the bidder will be acceptable in lieu of the actual License(s).
- 16. Bidders must be qualified and experienced in the type and projected size of work as indicated by this Bid. As proof of this, each bidders must submit evidence that it has sufficient experience and financial capability to meet the projected needs of this Contract by listing five (5) references with the telephone numbers of contact persons who have direct knowledge of the bidder's performance together with and at least five (5) years of financial information. The bidder must also show that it has available equipment for the collection and transportation of Refuse that is durable, easily cleanable, non-absorbent, and leak resistant, constructed to prevent loss of waste during transportation and designed for safe handling. The Authority will consider this evidence before making its award. Failure to submit this evidence may result in the rejection of a bidder's Bid.

## AWARD

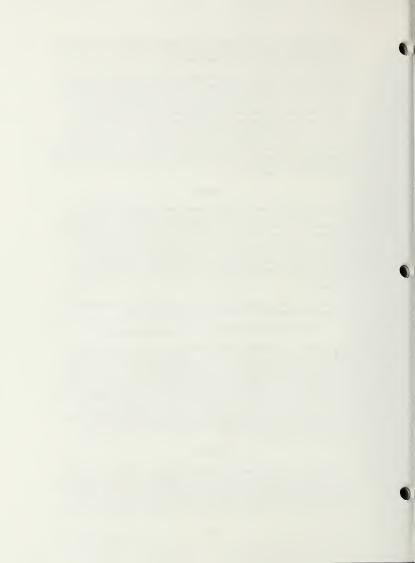
- 17. The Contract will be awarded to the lowest, responsible and responsive bidder. The award, if made, will be made within five (5) days of approval of the lowest Bid by the Authority. If the bidder to whom an award is made fails or refuses to execute the Contract and provide the required bonds, insurance certificates, permits, and licenses within ten (10) days of the award, the Executive Director may declare the bidder's Bid security forfeited as liquidated damages caused by the failure of the bidder to enter into the Contract and may award the Contract to the next lowest responsible and responsive bidder, or reject all bids and call for new bids, or abandon the work entirely.
- 18. The Authority reserves the right to reject any and all bids and the right to waive any irregularities in the bid and in the bidding process.

# ITEMS REQUIRED WITHIN TEN (10) DAYS OF AWARD

19. The successful bidder shall submit within ten (10) days of award, original signed copies of the Contract and shall submit signed, certified, and sealed performance bond as provided herein (Document No. 00610). Performance bond, executed by a Surety acceptable to the Authority, in an amount of the Bid price times 30,000 (Sdollar/cubic yd x 30,000 cubic yd). New bonds are required for any renewal. The successful bidder (Contractor) must submit the actual Permit and Licenses required at this time if it did not do so before. Also on the same date, the Contractor must provide proof of insurance coverage as outlined in paragraph 77 (Insurance). All bidders must submit their proposed schedule and plan for placement of Refuse containers required in this Contract.

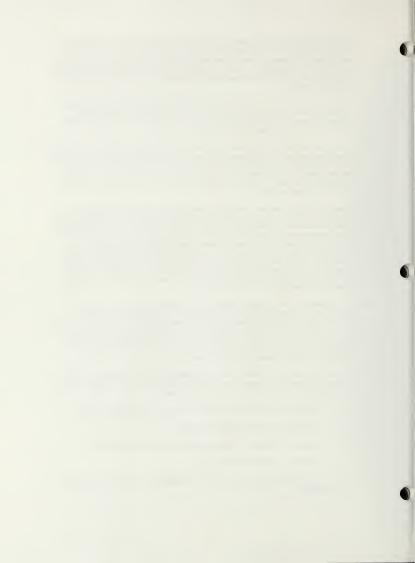
## SCOPE

20. The purpose of this Contract is to secure materials, supplies, and services for the collection and removal of Refuse from portions of TI-YBI that are under the jurisdiction of the Authority. Specifically, the Contractor shall provide Refuse collection containers and Refuse collection, removal, and Disposal services, and other materials, supplies, and services that are specified in this



Bid package. Facilities covered under this Bid include, but are not limited to, the San Francisco Fire Department's Academy, the San Francisco Police Department's Academy, the 766 housing units that are to be managed by the John Stewart Company, the 222 housing units that are to be managed by the Treasure Island Homeless Development Initiative, and all facilities managed by private entities.

- 21. This Contract does not apply to those facilities that are managed by federal or state entities. Such facilities include, but are not limited to: the United States Department of Labor Job Corp, the United States Coast Guard, and the San Francisco Unified School District.
- 22. Over the last sixteen (16) months, facilities and operations that are under the jurisdiction of the Authority have produced, on a monthly basis, approximately forty-five (45) to fifty-five (55) tons of Refuse. Currently on TI-YBI, there are Refuse collection containers that range in size from thirty-two (32) gallons to thirty (30) cubic yards. Collection and removal occur five (5) times per week or on an as-needed basis.
- 23. The Contractor shall provide Refuse service pursuant to the terms and conditions of this Contract. Initially, service levels are not expected to change from current levels as described above. However, it is anticipated that shortly after the awarding of this Bid, fifty (50) housing units (under the auspices of the Authority) located on Treasure Island, will become available for occupation. Moreover, the Authority anticipates that each month thereafter, another forty (40) to sixty (60) housing units will be available for occupancy. Eventually, it is hoped that approximately 1,000 housing units on Treasure Island will be occupied. As housing units become occupied, Contractor will need to increase service correspondingly.
- 24. It is estimated that once the housing units become fully occupied, the Islands will have an average daily population of 5,000 that will generate a total of approximately 400 tons (2,500 cubic yards) of Refuse per month. This figure represents the Authority's best estimate of the amount of Refuse that will be generated at TI-YBI. Failure to meet this level of Refuse generation shall not constitute a breach of the Contract and shall not confer to the Contractor a right to seek a rate adjustment.
- 25. In the near term, the Authority intends to make other improvements on the Islands to enhance the Islands' self-sufficiency and to increase public access and enjoyment. These improvements include plans to:
  - 25.1. Develop the Treasure Island Marina to provide 400 boat slips,
  - 25.2. Establish a police training academy,
  - 25.3. Lease a facility on Treasure Island for a convenience store,
  - 25.4. Finalize a lease for a café, and
  - 25.5. Increase the number of private and public events and functions on the Islands.



26. Additionally, various public and private parties and other functions varying in size from a few dozen guests (e.g., weddings, parties, meetings, etc.) to thousands of attendees (e.g., the San Francisco Blues Festival was attended by 65,000 people) will regularly take place on the Islands. The amount of Refuse regularing removal as a result of these functions is difficult to project at this time.

#### **TERMS**

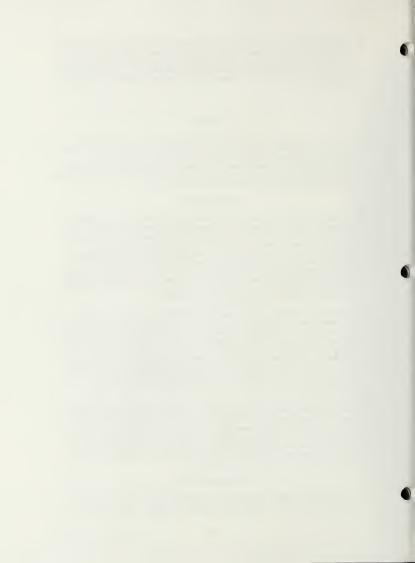
27. The Contract awarded under this Bid shall be for one (1) year from the effective date of the Contract. The Authority reserves the unconditional right to renew this agreement for two (2) additional one-year periods. The Authority will provide the Contractor with sixty (60) days notice of its intent to renew. Any renewal shall be on the same terms, conditions, and specification as the original Contract, except as provided for herein.

#### CONTAINERS

- 28. Contractor shall within ten (10) business days from the execution of this Contract, provide containers as designated by the Executive Director. The containers shall be of sufficient sizes to contain Refuse generated between collection periods. The containers shall be placed at pickup sites, as designated by the Executive Director. Contractor shall provide additional Refuse containers as required by the Executive Director within three (3) calendar days following notification by fax. The current types and number of Refuse containers found on TI-YBI are as follows: thirty-two (32) gallon can 25; two (2) cubic yard box 1; five (5) cubic yard boxes 10; twenty (20) cubic yard boxes 2; and thirty (30) cubic yard box 1.
- 29. Pursuant to Sections 17314 et seq. and 17380 et seq. of Title 14 of the California Code of Regulations, the Contractor is responsible for maintaining the containers in a good and sound condition, clean and free from putrescible residue. All equipment shall be cleaned in a frequency and manner so as to prevent the propagation or attraction of flies, rodents, or other vectors and the creation of ruisances. All such equipment shall be non-absorbent and leak-resistant and will be constructed to prevent loss of waste during collection or transportation. Containers of one (1) cubic yard or larger shall be identified with the name and phone number of the agent servicing the container.
- 30. The Contractor shall maintain containers for cleanliness and appearance. The Contractor shall provide replacement containers within seventy-two (72) hours for those containers, as determined by the Contractor or Executive Director, needing painting, cleaning, or repair. No cleaning will be allowed at Treasure Island or Yerba Buena Island. Containers needing repair will be exchanged and repaired off-site. Containers may be removed for cleaning after a replacement container has been left at the designated pickup site. Deodorizing will be allowed at the pickup site.

#### CLEANLINESS

31. The Contractor shall responsible for leaving the facilities served in a safe condition, clear of fluid or debris resulting from spillage. The cleanup of all



incidents involving the accidental or intentional release of spillage from Contractor/subcontractor vehicles will be cleaned up in a manner and time frame acceptable to the Executive Director.

#### PERFORMANCE

32. The Contractor shall furnish all labor, materials, costs incurred, and equipment necessary for the collection and Disposal of Refuse from the facilities covered by this Contract on a scheduled basis. All work shall be performed in a thorough and workman-like manner. If at any time during the life of this Contract, or any subsequent renewal, such service becomes in the opinion of the Executive Director, unsatisfactory, action will be taken in accordance to paragraph 103 (Preliminary Dispute Resolution) of this Contract.

# LIMITATION IN THE TIME AND MANNER OF COLLECTION

33. Refuse shall be collected Monday through Saturday in a systematic and timely manner. The sites for pickup shall be determined by mutual agreement between Contractor and the Authority or the Authority's designee. Frequency, site for collection, or any other manner of collection shall be subject to the review and approval of the Executive Director. Upon commencement of service and upon changes in collection day schedules, Contractor shall provide the Authority or its designees with notice of the scheduled collection day(s). Contractor shall not collect Refuse from any site near a residential dwelling or unit between the hours of 7:00 p.m. and 5:00 a.m. Contractor shall comply with all noise regulations of the City, which are hereby incorporated by reference, in the performance of this Contract.

#### MISSED PICKUPS/EMERGENCY SERVICE

- 34. Service will be provided for missed pickup within four (4) hours of receiving a call from the Executive Director or the Executive Director's designee responsible for paying for the Refuse collection at the pickup site in which the missed pickup occurred. Missed pickup must be completed on the day that it was missed or twice the cost of the missed pickup should be deducted from the invoice for that month. The missed pickup must be made by the following regular pickup day and cannot be billed by the Contractor.
- 35. Partially emptied containers shall be called in on the same day by the Executive Director or the Executive Director's designee responsible for paying for the Refuse collection at the pickup site in which the partially emptied container is located and shall be emptied no later than the following business day. The Authority will treat partial pickup the same as missed pickup regarding deductions from invoices.
- 36. Emergency, off-hour pickups will be billed at the regular pickup rate as quoted herein. Contractor shall make emergency pickups within four (4) hours of receiving the call from the Executive Director or the Executive Director's designee responsible for paying for the Refuse collection at the pickup site in which the emergency pickup is required. Only the Executive Director or the Executive Director's designee for the pickup sites may initiate emergency pickups.



# SERVICE STANDARDS

- 37. All containers for Refuse that is subject to putrefaction shall be emptied at least once per week. All other Refuse containers shall be emptied at least once per month. Contractor shall not allow the accumulation of greater than a total of forty (40) cubic yards of Refuse at any pickup site of a time period of greater than one (1) week.
- 38. Contractor shall provide prompt, efficient, continuous, and professional service. Contractor shall have a phone system with sufficient capacity to promptly respond to telephone calls for at least eight (8) hours a day during weekdays, excluding those holidays observed by Contractor. Telephone numbers for customer service shall be located in the local telephone directory. All telephone lines for service call shall be toll free.

# EMPLOYEE/VEHICLES

- 39. All Contractor/subcontractor personnel working under this Contract shall be identified by a distinctive nameplate, emblem, patch, or badge displayed on the outer garment in a visible location. All personnel shall be qualified and properly trained to perform the work required herein. Any unusual conditions noted by the Contractor's/subcontractor's employees shall be reported to the Executive Director.
- 40. The Contractor shall at all times furnish and maintain a sufficient number of vehicles to perform the work required herein. All vehicles shall have the name of the Contractor and the License prominently displayed.

# DISPOSAL AND WASTE STREAM CONTROL

- 41. Contractor shall deliver Refuse collected pursuant to this Contract to the Transfer Station. The Authority may, at its sole discretion upon providing sixty (60) days notice to Contractor, direct the Refuse collected under this Contract to be delivered to another site of its choosing. This paragraph shall not apply to Recyclable Materials.
- 42. Refuse collected by the Contractor that contain Recyclable Materials maybe processed by the Contractor to separate the Recyclable Materials from the Refuse. The separated Refuse shall be delivered to the Transfer Station.
- 43. The Authority may, at its sole discretion upon providing sixty (60) days notice to Contractor, direct Recyclable Materials collected by the Contractor pursuant to this Contract to be delivered to a site of its choosing.

# PROHIBITED WASTE

- 44. Contractor agrees to provide to the Authority upon its request. Contractor's program for identifying Prohibited Waste and complying with federal, state, and local laws and regulations dealing with Prohibited Waste.
- 45. Contractor shall make every reasonable and good faith effort to prohibit and prevent the collection and the Disposal of Prohibited Waste in any manner inconsistent with applicable laws.



#### PRICING

46. The price quoted shall be that for a Unit Volume of container, for each time picked up (serviced). The price for the actual volume of Refuse serviced shall be a multiple of the quoted price or fractions thereof. Such pricing shall be the sole basis for payment. All prices shall provide for and include full compensation for the services provided under this Contract. Bidder must enter their Bid price for the Unit Volume container, which shall be the basis for determining the lowest Bid price.

# RATE ADJUSTMENT

47. Pricing shall be firm for the duration of this Contract. The Contractor may request, in writing, within thirty (30) days of the Authority's exercise of its unconditional right to renewal, a rate adjustment for the renewal period. Adjustments, if requested and acceptable to the Authority, will be based on the Consumer Price Index (CPI), U.S. City Average, All Items (whose base period is 1982-84=100), as published monthly by the United States Bureau of Labor Statistics. The CPI for May, 1999 shall be the base period for this Contract. The month of May shall continue as the month referenced to in any rate adjustment requests. Adjustments will be one hundred percent (100%) of the change in the CPI. Rate adjustments will be calculated as follows:

CPI for the current month of May less the CPI for the previous year's May, with the result divided by the CPI for the previous year's May. Multiply that result by 100 and the new result is the percentage of change that the current rate for the Unit Volume is multiplied by to obtain the adjusted price to use for billing the renewal period:

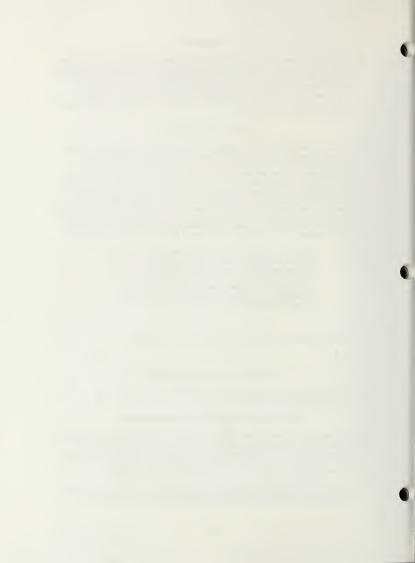
$$AdjustedRate = (1 + \frac{CPI_{CurrentMay} - CPI_{PaccennsMay}}{CPI_{PaccennsMay}})xCurrentRate$$

#### TITLE OF ITEMS COLLECTED

48. Title passes to the Contractor when the Refuse is loaded into the Contractor's/subcontractor's vehicle.

# RECYCLING & DIVERSION REQUIREMENTS

- 49. Contractor shall used its best efforts to Recycle the maximum the amount of Refuse collected pursuant to this Contract that is Recyclable Material. Contractor shall Recycle at least thirty-five percent (35%) of the amount of Refuse collected during the term of this Contract. For subsequent renewals, the minimum Recycling level shall increase by five percent (5%).
- Contractor shall receive a maximum of three (3) percentage points credit toward the Recycling requirement for implementing Source Reduction



- programs on TI-YBI. Contractor may request additional percentage point credits if Contractor demonstrates with evidence satisfactory to the Executive Director, that its Source Reduction programs are achieving greater than three percent (3%) reduction in the generation of Refuse on TI-YBI.
- 51. The Contractor shall maintain records of the amount of Refuse collected pursuant to this Contract, the amount of Refuse that is Recycled, and implementation of Source Reduction programs.
- 52. No later than ninety (90) days before the expiration of this Contract, Contractor shall submit to the Authority a report documenting the percentage of the Refuse collected that is Recycled and Source Reduction programs that are implemented. The Authority reserves the right to inspect Contractor's records to verify the amount of Refuse that is Recycled.
- 53. Contractor's right to collect Recyclable Materials that are separated by the Refuse generators from Refuse is subject to the right of first refusal held by the Treasure Island Homeless Development Initiative.

# PERMIT REQUIREMENT

54. Contractor shall obtain a Refuse collection Permit and Licenses from the Department so as to ensure that all operations performed under this Contract meet the minimal standards to promote the health, safety and welfare of the people of California and of the residents of the City.

#### LEGAL COMPLIANCE

55. The Contractor shall at all times comply with the applicable laws, ordinances, rules and regulations of the Federal Government, the State of California and the City and all governing agencies, districts or other bodies that have jurisdiction applicable to direct and indirect acts of the Contractor in the performance of the Contract, including but not limited to the Act. It shall be the Contractor's responsibility, at its sole expense, to obtain any required permit(s) or license(s).

# BILLING

56. Bills for services shall be quarterly. Invoices for each pickup site shall be billed to the Authority's designee for that site.

# SUBCONTRACTORS

57. Any subcontractors engaged by Contractor for the performance of this Contract shall be subject to the prior written approval of the Authority. The Contractor will be held responsible and shall indemnify the Authority pursuant to paragraphs 74 to 76, inclusive (Indemnification), for the acts and omissions of any subcontractors. Any subcontractors will also be required to obtain and maintain all permits, certifications, licenses, and insurance as required by this Contract of the Contractor. No party to this agreement shall in any way contract on behalf of, or in the name of, the other party of this Contract. Violation of this provision shall confer no rights on any party and shall be void.

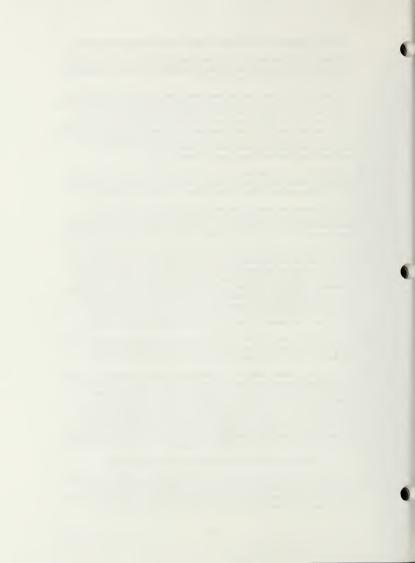


# DUTY TO MAINTAIN RECORDS; RIGHT TO EXAMINE RECORDS

- 58. Contractor shall maintain a proper set of books and records in accordance with the Generally Accepted Accounting Principles, accurately reflecting the business done by it under this Contract.
- 59. Contractor shall further maintain and make available to the Authority, upon its request, records as to the number of pickup sites, total and type of Refuse pickup (i.e.: refuse from commercial or residential establishments), route maps, service records and other materials and operating statistics in such manner and with such detail as the Authority may require. If so designated by the Contractor, the Authority shall treat the information required by this Paragraph that affects the competitive position of the Contractor as confidential information to the extent permitted by law.
- 60. The Authority or its agent may at any time during the term of this Contract examine the books and records of the Contractor. The Authority shall give thirty (30) days written notice to the Contractor of such examination date.
- 61. The information required by this section shall pertain to Contractor's operations covered and regulated by this Contract, and nothing contained herein shall require the Contractor to provide the Authority with information pertaining to the Contractor's operations that are not subject to this Contract.
- 62. The Authority or its agent may examine Contractor's books, records, and financial statements pertaining to operations that are not subjected to this Contract as may be reasonably required for the sole purpose of gathering information necessary to allow the agents to ascertain whether income, expenses, assets, and liabilities are reasonably and consistently allocated among operations that are the subject of this Contract. Contractor shall obtain the Authority's written approval of its method of segregating its financial records between contractual operations and non-contractual operations. The Authority shall not unreasonably withhold such approval.
- 63. To the extent allowed by law, information obtained through the examination of records pertaining to operations that are not subject to this Contract shall be treated by the Authority and its agents as confidential information.
- 64. Nothing in this section will prevent the Authority from allowing public access to the Authority's records as provided for under the California Government Code, and in the event any dispute arises as to the public access to information provided by Contractor under the terms of this Contract, the Authority shall in its discretion provide public access to said information according to law or tender the defense of any claims made against the Authority concerning said information to Contractor. Prior to releasing any information pursuant to this paragraph, the Authority shall make a good faith effort to notify Contractor of the intended release.

# SATISFACTION AND EFFICENCIES IN OPERATION

65. From time to time, at its discretion, the Authority may examine Contractor's operation in order to evaluate whether the Contractor is operating at a satisfactory level of efficiency and customer satisfaction. Contractor agrees to cooperate in any such examination and shall permit the Authority's



- representatives to inspect, at Contractor's principal place of business, such information pertaining to Contractor's obligations hereunder as the Authority may require, including, but not limited to, such things as records, collection routes, and equipment records. Access to Contractor's record shall be subject to paragraphs 58-64, inclusive (Duties to maintain records/right to examine).
- 66. Notwithstanding any contrary provision in this Contract, the Authority shall have the right to direct Contractor to compile information, develop plans for and/or conduct programs on alternative methods of Solid Waste and Recyclable Material collection and management, or to take any other action requested by the Authority for the purpose of meeting the Source Reduction Recycling and Composting requirements of the Act, and any other applicable federal, state, or local laws regarding Solid Waste collection, Recycling, and Disposal.
- 67. The Authority may require Contractor to develop plans for and conduct programs on alternative methods of Refuse collection, including pilot programs of limited scope, or may require additional programs, for the purpose of improving service, increasing customer satisfaction, and meeting diversion requirements. The Authority may also require Contractor to implement efficiencies in its operation upon written notice from the Authority.
- 68. The notice given to Contractor under paragraph 67 shall provide the Contractor with a reasonable period of time to implement the specified service (efficiency). Should the Authority require the commencement of such program as outline by paragraphs 66 and 67, Contractor agrees not only to do those things specified herein, but also to act at the direction of the Authority on other matters that may be necessary for the success and efficiency of the project, such as public information and notification. In the event that the Authority elects to direct Contractor to discontinue any service theretofore performed by Contractor at the direction of the Authority hereunder, the Authority shall allow Contractor to recover its reasonable capital equipment costs and other reasonable costs arising upon termination of the service. Rate adjustments applicable solely to programs instituted pursuant to paragraphs 66 and 67 initially shall be established at the time the Authority authorizes implementation of the program or efficiency.

# COMPLAINT PROCEDURE

69. Contractor shall develop and implement a policy and procedures for responding to and recording service complaints, including dispute resolution. The policy and procedures shall be subject to the approval of the Executive Director.

# DAMAGE CAUSED BY CONTRACTOR

70. Any damage to property, real and/or personal, on TI-YBI caused by the Contractor's acts or omissions shall be repaired/replaced, to the Authority's satisfaction, without charge to the Authority or its designee. Corrections shall be made seventy-two (72) hours of the incident or the Authority may make the repairs and backcharge the Contractor.



# LIQUIDATED DAMAGES

- 71. If service is not completed in accordance with the terms herein, it is understood that the Authority and its designees will suffer damage. Being impractical and unfeasible to determine the amount of the actual damage (except as provided for missed pickups), it is agreed that the Contractor shall pay to the Authority or its designee as fixed and liquidated damages, and not as a penalty, the amount set forth as follows:
  - 71.1. The sum of triple the amount of the price of regular service for failure to begin new service within three (3) calendar days following notification by fax.
  - 71.2. The sum of fifty dollars (\$50) per calendar day for failure to repair or replace any damaged or unsightly containers(s) within seventy-two (72) hours following notification by telephone by the Authority or its designee.
  - 71.3. The sum of five hundred dollars (\$500) per percentage point of Recycling below the minimum Recycling percentage as set forth in paragraph 49 (Recycling and Diversion Requirement).
- 72. The Contractor shall be liable for the amounts above. These sums shall be withheld from payment due the Contractor from the Authority or its designee. It shall be the sole responsibility of the Contractor to notify the Executive Director upon the resolution of chargeable conditions, and such notification shall be within two (2) calendar days following the resolution.

# FAITHFUL PERFORMANCE BOND

73. Contractor shall submit to the Authority simultaneously with the execution of this Contract a corporate surety bond in the amount of the Bid price times 30,000 (\$dollar/cubic yd x 30,000 cubic yd), provided however, that the Authority may increase the amount at subsequent renewals to reflect changes in the Consumer Price Index for All Urban Consumers for the San Francisco Bay Area and/or an increase in the level of refuse collection service needed at TI-YBI. The bond shall be executed by a surety company licensed to do business in the State of California and acceptable to the Authority. The bond shall be approved by the Authority and shall be payable to the Authority. The condition of the bond shall be that Contractor will faithfully perform the duties imposed by federal, state and local laws and this Contract. Any action by the Authority to proceed against the bond shall not limit or affect the rights of the Authority to pursue other remedies available to the Authority under this Contract, or in courts of law or equity. Notwithstanding the foregoing, in lieu of the corporate surety bond, Contractor may provide to the Authority a letter of credit, cash bond or other security acceptable to the Authority in a form satisfactory to the Authority.

#### INDEMNIFICATION

- 74. All work and performance covered by this Contract shall be at the risk of the Contractor.
- 75. The Contractor shall indemnify, defend, and hold harmless the Authority and its designees from financial loss, damages, or claims (collectively or



- individually as "Claim"), directly or indirectly, in whole or in part, arising out of the Contractor's performance of this Contract. The Contractor shall indemnify the Authority and its désignees for the reasonable fees of attorneys, consultants, and experts and related costs and the Authority's and its designees' costs of investigating any Claim. The Contractor has an immediate and independent obligation to defend the Authority and its designees from any Claim which actually or potentially falls within the subject matter of this Contract even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such Claim is tendered to the Contractor by the Authority or its designees and continues at all times thereafter. Contractor's obligation to indemnify, defend, and hold harmless the Authority and its designees shall survive the expiration of the Contract.
- 76. The above agreement by Contractor to indemnify, hold harmless, and defend the Authority expressly includes, but is not limited to, all claims, damages (including but not limited to special and consequential damages), natural resources damage, punitive damages, injuries, costs, response, remediation and removal action, suits, legal administrative proceedings. interest, fines, charges, penalties, and expenses (including but not limited to attorneys and expert witness fees and costs and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, the Authority, its officers, employees, agents arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless or whether undertaken due to governmental action) concerning any hazardous substances or Hazardous Waste at any place where municipal Solid Waste is or has been transported, transferred, processed, stored, disposed of or otherwise come to be located by Contractor under this Contract, or the activities of Contractor pursuant to this Contract resulting in a release of hazardous substances or Hazardous Waste into the environment. The foregoing is intended to operate, in part, as an agreement pursuant to Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9607(e), and California Health and Safety Code Section 25364, to defend, to protect, hold harmless and indemnify the Authority. The intent of paragraphs 75 and 76 (indemnity) is to provide the Authority with the highest level of protection possible to the extent allowable by law.

#### INSURANCE

- 77. Contractor shall procure and maintain in full force and effect at all times during the entire length of this Contract and any subsequent renewals the following insurance coverage:
  - 77.1. Public liability and property damage insurance including complete operations, products, contractual, broad form property damage, personal injury and owned and non-owned automobile liability with such coverage and limits as may be reasonably requested by the Authority from time to time, but in no event with limits that are less than the sum of \$1 million per occurrence and \$2 million in aggregate arising from the services as stated in this Contract. The Authority shall be named as an additional insured under such liability insurance policy or policies, if commercially available.



- 77.2. Contractor shall carry workers' compensation insurance for all its employees. Evidence of liability and workers' compensation insurance shall be provided by Contractor by filing with the Authority a certificate of insurance indicating that the Authority is endorsed as an additional named insured under the liability policy. All policies shall include a provision that written notice of cancellation or any material change in coverage shall be delivered to the Authority thirty (30) days in advance of the effective date thereof. No cancellation, alteration or change of beneficiary shall be made without written notice to the Authority.
- 77.3. The Authority reserves the right to examine all policies from time to time to ensure appropriate conformity to prevailing practices and standards of the insurance industry.
- 77.4. Such insurance shall be obtained from a company or companies licensed to do business in the State of California and acceptable to the Authority. Failure of Contractor to maintain insurance in the manner and amount stated herein and as directed by the Executive Director, subject to the approval of the Authority, will constitute a material breach of this Contract.

# NOTIFICATION

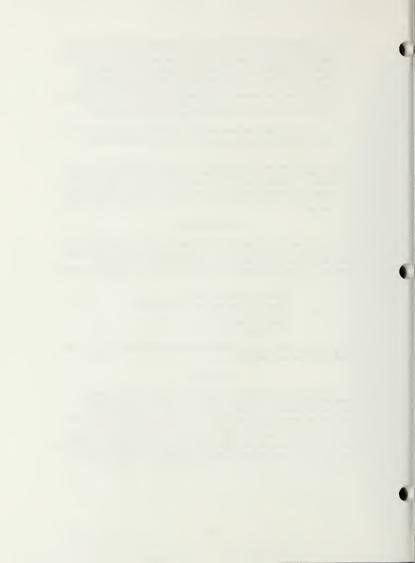
78. Any notice required or permitted under this Contract shall be in writing and shall be deemed to have been given if delivered personally or ten (10) days after posted by certified mail, return receipt requested, addressed as appropriate either to Contractor at its business address as indicated in its Bid and to the Authority at:

Attention: Executive Director Mayor's Office Treasure Island Project 410 Avenue of Palms Treasure Island San Francisco, CA 94130

Parties shall provide ten (10) days notice to each other if the address for the receipt of notice has changed.

#### EMERGENCY

79. Notwithstanding any other provisions of this Contract, in the event of an emergency due to natural disaster or labor strike which interrupts the collection of Refuse by Contractor, the Authority shall have the right to declare a temporary suspension of this Contract for the reasonable duration of the emergency and until such time as the Authority determines that Contractor is able to re-assume all obligations under this Contract. Should Contractor fail to demonstrate to the satisfaction of the Authority that required services can be resumed by Contractor prior to the expiration of a six (6) month period, this Contract may be terminated at the direction of the Authority.



#### BREACH AND TERMINATION

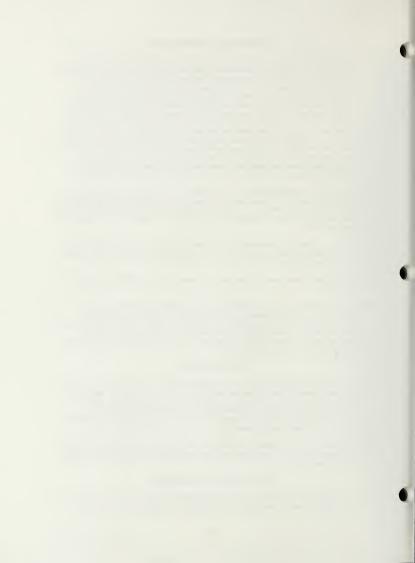
- 80. The Executive Director shall have the power, subject to review by the Authority upon appeal, to determine whether a breach of any provision of this Contract by Contractor has occurred. Any waiver of a breach shall not be deemed to be a waiver of any subsequent breach or be construed as approval of a course of conduct. In the event that the Executive Director determines that a breach has occurred, the Authority shall give Contractor written notice of the breach setting forth the breach or default. Contractor shall have a reasonable period to cure the noticed breach or default. Such reasonable period to cure shall not exceed sixty (60) days. In the event the breach or default is cured to the satisfaction of the Executive Director within the time period allotted, the breach shall not be deemed a material breach. In the event the Executive Director determines that Contractor has failed to satisfactorily cure the breach or default within the time period allotted, the Executive Director may determine such breach or default to be material.
- 81. Multiple or repeated breaches, or a pattern of breaches and subsequent attempts to cure said breaches by Contractor shall provide an adequate basis for the Executive Director, in her or his discretion, to declare any subsequent breach to be material, notwithstanding whether that breach is ultimately cured by Contractor.
  - 81.1. If such a determination of material breach is made, the Executive Director's determination shall be automatically appealed to the Authority for final action.
- A material breach shall be cause for termination of this Contract by the Authority.
- 83. Upon the occurrence of a material breach and the declaration of such termination of this Contract by the Authority, this Contract shall be of no further force and effect, except for paragraphs 74 to 76, inclusive (Indemnity). The Authority is free to enter into whatever arrangements are deemed justified and necessary for the collection, removal, and Disposal of Refuse within the area under its jurisdiction.

# ASSIGNABILITY

- 84. The Contractor shall not sell, Assign, subcontract, or transfer this Contract or any part hereof, or any obligation hereunder, without the written consent of the Authority. Consent to assignment may not be unreasonably withheld. However, it is understood that the Authority awarded this Contract to Contractor is partly due to Contractor's financial strength and background in the field of waste management.
- 85. Following a public hearing, the Authority may Assign or transfer any or all of its rights under this Contract without the consent of Contractor to any legally authorized public entity.

#### INVOLUNTARY ASSIGNMENT

86. No interest of Contractor in this Contract shall be Assignable by operation of law. Each or any of the following acts shall be considered an involuntary



Assignment providing the Authority with the right to elect to terminate this Contract forthwith, without suit or other proceeding:

- 86.1. If Contractor is or becomes insolvent, or makes an Assignment for the benefit of creditors:
- 86.2. If Writ of Attachment or Execution is levied on this Contract or other property of Contractor such that would affect Contractor's ability to perform its duties and obligations under this Contract.
- 86.3. If in any proceeding to which Contractor is a party, a receiver is appointed with authority to take possession of Contractor's property such that would affect Contractor's ability to perform its duties and obligations under this Contract.
- 86.4. Except as otherwise provided in paragraph 84 (Assignability), in the event of a probate proceeding where the rights of Contractor under this Contract would pass to another individual or other individuals.

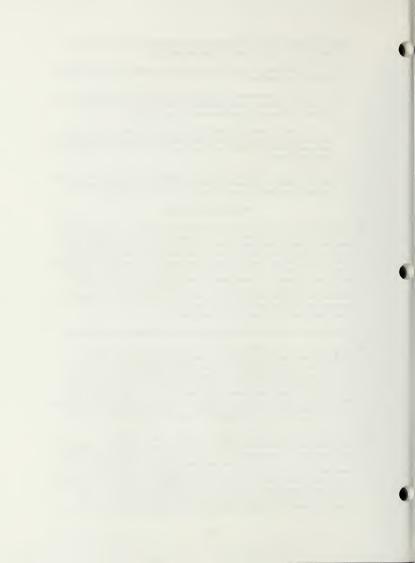
#### PREVAILING WAGES

87. The Contractor performing this Contract will be required to pay no less than the highest prevailing wages, required by the union, if any, including fringe benefits for Solid Waste truck drivers and collection personnel within the City. In the event that the Authority finds that the Contractor does not meet this criterion, the Contractor will increase its wage scale to meet the requirements. Under no circumstances will any increase in wage scale result in additional cost to the Authority or its designees. The Authority reserves the right to inspect the Contractor's records at any time to verify that the correct prevailing wages are being paid to all employees. The Contractor agrees to make available to the Authority, upon request, those certified records requested to verify the Contractor's compliance.

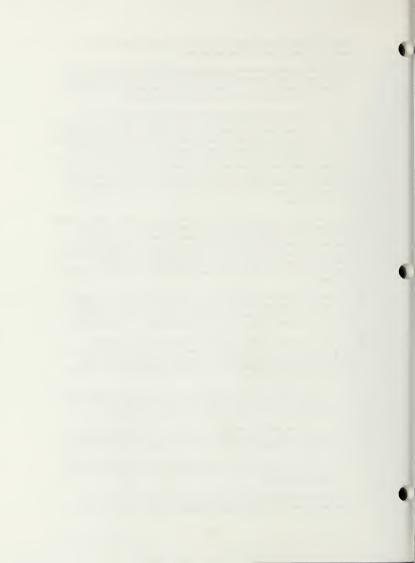
# DISADVANTAGED AND LOCAL BUSINESS ENTERRPISE PROGRAM

- 88. It is the policy of the Authority that Disadvantaged Business Enterprises (DBEs), of which minority and woman owned business enterprises are included, and Local Business Enterprises (LBEs) shall have the maximum feasible opportunity to participate in the performance of contract financed in who or in part with City and County funds. The Authority and its employees and agents shall not discriminate on the basis of race, national origin, color, religion, sex, sexual orientation, gender identity, age or disability in the award and performance of any Authority contract. The Authority shall make every effort to solicit bids and proposals from DBEs in awarding contracts.
- 89. A DBE is defined as a LBE which is a socially or economically disadvantaged business which is an independent and continuing business for profit, performs a commercially useful function, and is owned and controlled by one or more economically disadvantaged persons. The aggregate ownership or control of the DBE must equal or exceed fifty-one percent (51%) of the business and whose average gross receipts in the three (3) fiscal years immediately preceding its application for certification as a DBE does not exceed the following annual limits: 1) Public Works/Construction -- \$14 million; 2) Goods, Materials, Equipment, and General Service suppliers -- \$2

19



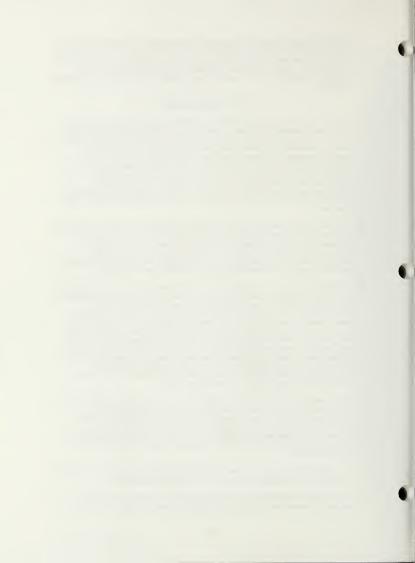
- million; 3) Professional Services -- \$2 million. It shall be based upon economic threshold and not race or gender.
- 90. The public interest is served by assisting disadvantaged businesses. The Authority shall offset economic disadvantages faced by DBEs by providing qualified DBEs with a 5-10% preference when considering bids, proposals or other competitive submissions, as provided in paragraph 94.
- 91. LBE shall mean a locally based business which is an independent and continuing business for profit, performs a commercially useful function and is a firm: 1) with fixed offices or distribution points located within the geographic boundaries of the City; 2) listed in the Permits and License Tax Paid File with a San Francisco street address; 3) which possess a current Business Tax Registration Certificate at the time of the application for certification as a local business. Post office box numbers or residential addresses shall not suffice to establish status as a "local business." To qualify as a "local business," a business must establish that it has been located and doing business in San Francisco for at least six (6) months preceding its application of certification as a local business.
- 92. The cost of doing business in San Francisco is approximately fifteen percent (15%) higher than in the surrounding bay area communities. The public interest is served by encouraging businesses to locate and remain in San Francisco. Accordingly, the Authority shall offset economic disadvantage faced by LBEs which are not experienced by businesses outside the City, by providing qualified LBEs with a five percent (5%) preference when considering bids, proposals, or other competitive submissions as provided in paragraph 94.
- 93. The Authority acknowledges the value of Joint ventures and their ability to foster economic development of DBEs. Therefore, non-DBE companies are to be encouraged to joint venture with DBEs. Awards involving the DBEs shall be counted on the basis of the DBE's participation in the joint venture.
- 94. The policy in favor of LBEs and DBEs shall apply to all contracts for construction and public works, personal service and consulting contracts and supply of goods, by applying bonus points or percentage to responses to DBEs and LBEs to solicitations under competitive sealed Bid or competitive negotiation process as follows:
  - 94.1. A five (5) point or percentage bonus will be awarded to (i) a LBE, or (ii) a joint venture with a DBE where DBE participation equal to at least thirty-five percent (35%), but is less than forty percent (40%); or
  - 94.2. A seven and five tenths (7.5) point or percentage bonus will be awarded to a joint venture with a DBE where DBE participation equals or exceeds forty percent (40%), but is less than fifty-one percent (51%); or
  - 94.3. A ten (10) point or percentage bonus will be awarded to (i) a DBE or (ii) a joint venture with a DBE, where DBE participation exceeds fifty-one percent (51%).
- Pursuant to a contract, Memorandum of Understanding or Work Order arrangement with the Human Rights Commission (HRC), the HRC shall be



the authority responsible for creating and implementing rules and regulations for the certification and/or registration of DBEs, LBEs and Joint Ventures. In order to considered for DBE, LBE or joint venture participation, a firm must be certified by the HRC. The HRC shall also be responsible for providing technical assistance to the Project Office in outreach and contract compliance activities.

# NON-DISCRIMINATION

- 96. In the performance of this Contract, the Contractor covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, gender, gender identity sexual orientation, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City or Authority employee working with, or applicant for employment with Contractor, in any of the Contractor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in business, social or other establishments or organization operated by the Contractor.
- 97. Contractor shall include in all subcontracts relating to the performance of this Contract a non-discrimination clause applicable to such subcontractor in substantially the form of paragraph 96. In addition, Contractor shall incorporate by reference in all subcontracts the provisions of Section 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions.
- 98. Contractor warrants that it does not, as of the effective date of this Contract and will not during the Term of this Contract and any subsequent renewal, in any of its operations in the City or elsewhere within the United States, discriminates in the provision of bereavement leave, family medical leave, health benefits, membership or memberships discounts, moving expenses, pension, and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employee with spouses, and/or between the domestic partners and spouses or such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.
- 99. The Authority urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. Contractor acknowledges that it has read and understands the above statement and MacBride Principles as expressed in the San Francisco Administrative Code concerning doing business in Northern Ireland.
- 100. The Authority urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood or tropical hardwood product.
- 101. Contractor attests that it is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a



- "prohibited person or entity" as defined in Section 12J.2(G) of the San Francisco Administrative Code. The Authority reserves the right to terminate this Contract for default if Contractor violates the terms of this Clause.
- 102. Contractor's failure to comply with the obligations in paragraphs 96-101, inclusive, shall constitute a material breach of this Contract.

# PRELIMINARY DISPUTE RESOLUTION

103. If Contractor has a question as to the interpretation and intent of this Contract, it shall submit a written request to the Executive Director for a determination of the issue prior to any action or resort to any other legal remedy. The Contractor shall provide and submit such information as the Executive Director may request or require to make the requested determination. The written determination may be appealed to the Authority. The Authority and Contractor do not waive any legal remedies under this paragraph.

# CONTEST OF AGREEMENT TERMS

- 104. In the event either party to this Contract attempts to challenge the validity of any portion of this Contract, such action in attempting to challenge the Contract shall constitute a material breach of this Contract and the non-breaching party shall have the right to elect to terminate this Contract forthwith without suit or other proceeding.
- 105. Paragraph 104 shall not be construed to prevent either party from seeking redress from the courts for the purpose of legal review of administrative proceedings regarding rate adjustment or the Authority's actions taken pursuant to this Contract, or for the purpose of interpreting or enforcing the provisions contained in this Contract.

# ATTORNEY'S FEES

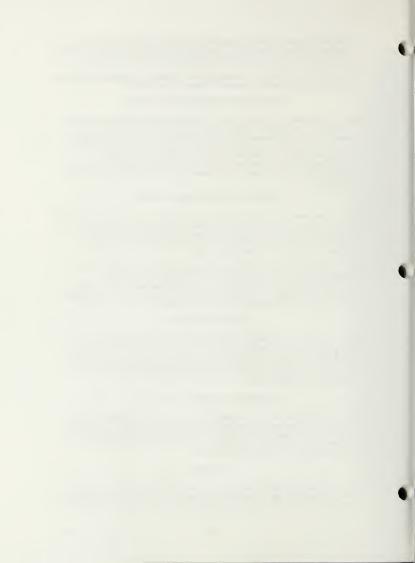
106. In the event of litigation between the parties arising hereunder, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorney's fees.

# AMENDMENT OR MODIFICATION

107. This Contract shall not be modify during the initial contractual period. This Contract may be modified or amended during the subsequent renewal periods. Amendment or modification occurs upon written agreement of the parties hereto. The parties agree to meet and confer in good faith if amendment or modifications are proposed.

# WAIVER

108. The waiver by either party of any breach or violation of any provisions of this Contract shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or



any other provision. The acceptance of any monies, which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent beach or violation by the other party of any provision of this Contract.

#### SEVERABILITY

and the event of legal action is brought by a person or entity, other than the parties to this Contract, to challenge, invalidate, contest or set aside any of the provisions of this Contract, each and every terms and conditions, and each and every paragraphs, sentences, phrases, or words is severable from the remaining terms, conditions, paragraphs, sentences, phrase, and words. The invalidation of any term, condition, paragraph, sentence, phrase and word as a result of a legal action, brought by a person or entity not a party to this Contract shall not affect the validity or enforceability of the remaining provisions. However, if material provisions hereof are affected, the parties agree to negotiate in good faith to reach agreement on the revisions, which preserve the substance hereof to the greatest extent allowable by law.

#### INTEGRATION

110. The parties intend that this Contract (including any and all attachments, which are made a part of this Contract) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Contract shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal proceeding involving this Contract.



Bid No.	Bid	No.	
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#### DOCUMENT 00410

#### BID BOND

NOTE: (This form must be executed unless bid is accompanies by certified check)

#### KNOW ALL PERSONS BY THESE PRESENTS:

That the undersigned Contractor as principal and the undersigned Surety as obligator, are held and firmly bound unto the Treasure Island Development Authority, a non-profit public benefit corporation, as obligee, in the penal sum of

Dollars, lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our successors, executors, administrators, and assigns, jointly and severally, firmly by these presents.

That the General Contractor as principal is submitting a Bid for certain work to be performed for the said Treasure Island Development Authority described as follows:

# INVITATION FOR BID REFUSE COLLECTION SERVICE AT TREASURE ISLAND AND YERBA BUENA ISLAND

(Contract No. \_\_\_\_\_)

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Bid submitted by said principal be accepted and the Contract be awarded to said principal and if said principal shall within a period of ten (10) days after such award enter into the Contract so awarded and file the required performance corporate surety bonds, certificates of insurance, permit(s), and license(s), then this obligation shall be void, otherwise to remain in full force and effect.

	OF, the above bounden parties have executed this instrument this, 1999.
(Corporate Seal)	Name of Firm, Corporation, Partnership of Joint Venture
	Principal
	Ву:
(Corporate Seal)	Surety
	By:Attorney in Fact



#### DOCUMENT 00610

# ÖRDER OF AWARD NO. \_\_\_\_\_

# PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that WHEREAS, the Treasure Island Development Authority has awarded to:

hereinafter designated as the "Principal," a Contractor for:

# REFUSE COLLECTION SERVICE AT TREASURE ISLAND AND YERBA BUENA ISLAND

(Contract No. \_\_\_\_)

WHEREAS, said Principal is required under the terms of said Contract to furnish a Bond for the faithful performance of said Contract;

NOW THEREFORE, we the Principal and

as Surety, are firmly bound unto the Treasure Island Development Authority in the penal sum of Dollars, Iawful money for the United States for the payment of which sum well and truly to be made, we bind ourselves, our successors, executors, administrators, and assigns, jointly and severally, firmly by these presents for a performance bond. The condition of this obligation is such that if the said Principal does well and faithfully performs all the conditions and covenants of said Contract, according to the true intent and meaning thereof, upon its part to be kept and performed, then the above obligation is to be null and void, otherwise to remain in full force and effect.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in the said Contract, including the provisions of liquidated damages in the said Contract, any changes, additions, or alterations thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Treasure Island Development Authority, its officers and agents, as therein stipuiated, then this obligation shall become null and void; otherwise shall be and remain in full force and effect.

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder or the Specifications accompanying the same and no inadvertent overpayment of progress payments shall in any way affect its obligations on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work of to the Specification or of any inadvertent overpayment.

IN WITNESS	WHEREOF, the above-	-bounden parties have	executed this instrument
under their seal this _	day of	, 1999,	the name and corporate seal



Approved as to Form:	Principal
	By:
Ву:	
	Surety
	By:

of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.















approved 6/9/961

## Treasure Island Development Authority Minutes of May 12, 1999 Regular Meeting

DRAFT

1. Call to Order:

1:15 p.m. in Room 400, City Hall

In the absence of Vice Chair Elberling, Mr. Morales motioned that Mr. Green act as chair for the meeting. Mr. Fazande seconded. Approved, 4-0.

Roll Call:

4.

Present: William Fazande

Gerald Green James Morales Doug Wong

Excused:

John Elberling Anne Halsted

DOCUMENTS DEPT

Approval of Minutes:

The minutes of April 20, 1999 were unanimously approved.

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Communications SAN FRANCISCO PUBLIC LIBRARY

The Commission Secretary reported there were none.

7. Executive Director's Report

Ms. Conroy welcomed new Authority member William Fazande and stated that Mr. Fazande had already visited Treasure Island on two occasions.

Ms. Conroy also reported on the following issues:

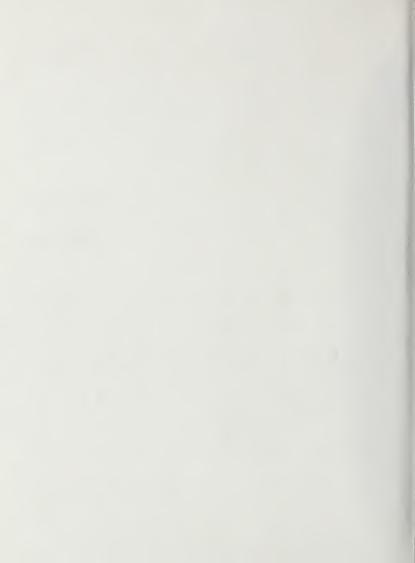
Access: The Lincoln-Mercury car launch on Treasure Island has ended. It brought the Project Office more than \$500,000 in revenue and the company responsible for the endeavor has indicated it would like to return next year and possibly put on additional shows on T.I. Ms. Conroy also mentioned several recent events and recently scheduled events for the future. She added that many people were coming to T.I for open access weekends and the weekly Sunday flea market.

Environmental Clean-up- Martha Walters stated that she and consultants Geomatrix were monitoring the Navy's clean-up.

Short-term leases- Ms. Conroy reported there were none.

Status of the EDC/Redevelopment Plan- Development Director Steve Proud indicated that staff was preparing technical documents regarding the conveyance that he anticipated will be presented at the Authority's next meeting.

He also reported that on April 21st President Clinton and the U.S. Department of Defense issued a press release stating that they would seek authorization from Congress the transfer of closed military bases at no cost to Local Reuse Authority (LRA's).



Status of the San Francisco-Oakland Bay Bridge- Ms. Conroy reported that a study by structural engineers JMI indicated that \$57 million could be saved by moving to the southern alignment now. Copies of the study have been sent to the Governor and other decision-makers.

Ms. Conroy also reported that a federal appeals court recently halted the construction of a new Woodrow Wilson Bridge across the Potomac near Washington, D.C. and indicated that many of the same issues regarding abrogation of the National Environmental Protection Act (NEPA) applied to the Bay Bridge.

Report on TIHDI-Ms. Conroy reported that regular monthly meetings are being held with TIHDI.

Report on personal property- Ms. Conroy reported that Facilities Manager Bob Mahoney was ill and that a report will be made at the Authority's next meeting on May 26, 1999.

Report on the formation of the CAC- Commission Secretary Rummelsburg indicated that the Mayor's office had received approximately 100 letters of interest and were reviewing them. Interviews are scheduled for the May 18. She also mentioned that the Rules Committee of the Board of Supervisors had a number of applications for the 11 members which are to be appointed by the Board.

Report on negotiations with marina developer- Stephen Proud stated that the second milestone, the exclusive Negotiating Agreement (ENA) will be presented at one of the next two Authority meetings.

Report on legislation- Ms. Conroy reported there has been no new legislation except for full Board approval of Mr. Fazande's appointment to the Authority.

## 8. Public Comment

Ruth Gravanis, T.I. Wetlands Project indicated that funds are available for wetlands projects from mitigation for an oil spill.

9. Resolution approving sub-license for operation of cable system on Treasure Island (Action item)

Mr. Green asked if rates will be the same as those charged under navy jurisdiction and Ms. Conroy replied that they would be the same. Ms. Conroy added that the license to TCl is on a month-to-month basis and is needed as soon as possible to serve those moving into John Stewart housing units.

Mr. Wong moved approval and Mr. Fazande seconded. Approved, 4-0.

10. Resolution adopting policy regarding limiting rent increases on residential leases (Action item)

Ms. Conroy indicated that Mayor Brown requested that the protections of the rent control ordinance apply to rental units on T.I. Mr. Morales stated that he was in full agreement and that the Authority is obligated to follow the principles of the City's rent control ordinance. Mr. Green indicated that he was in full agreement with Mr. Morales.

Motion to approve by Mr. Morales, seconded by Mr. Fazande. Approved, 4-0.

11. Resolution approving residential lease form for use by the John Stewart Company (Action item)



Mr. Fazande asked how much the deposit will be for each unit. John Stewart responded that the individual on his staff responsible for that item was on vacation. In general, however, the amount of deposit is the same as the first month's rent and that amount is different because the rental amount may differ for each unit.

Mr. Morales commended staff and John Stewart for its work on the lease form and stated that provisions within the document would provide protection against arbitrary evictions.

Mr. Morales moved approval and Mr. Wong seconded. Approved, 4-0.

12. Resolution authorizing issuance of a Request for Bids (RFB) for refuse services on Treasure Island (Action item)

William Chan, Deputy City Attorney, explained that RFB indicates that the contract will be for one year with an additional two-year option and that rates depend on the cost for collection. He added that the winning bidder will be required to recycle a minimum of 35% of the waste collected.

If the RFB is approved today, a new contract could be in place on September 1, 1999. He added that TIHDI has the first right of refusal to separate recyclables.

John Stewart asked what sort of service would be in place between now and September 1<sup>st</sup> and Mr. Chan responded that refuse collection would occur.

Bruce Franks, TIHDI indicated his organization's interest taking part in source separation activities.

Ruth Gravanis commented on the important of the City's sustainability plans and their applicability for TI. She indicated that there did not appar to be sufficient incentive for recycling and that the contractor should provide containers for recycling.

Authority members discussed how best to stimulate recycling and whether to require recycling containers. Ms Conroy and Mr. Morales stressed the importance of conveying to bidders at the bidders conference that creativity was necessary to increase recycling. Ms. Conroy added that since the contract is short-term, a contract extension can better address recycling issues.

Motion by Mr. Wong, seconded by Mr. Morales, approved, 4-0.

Mr. Green welcomed Mr. Fazande to the Authority.

Adjourn The meeting was adjourned at 2:10 p.m.





